

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4**

In the Matter of:)	Docket No. CAA-04-2015-1586
)	
ESR Scrap Metal Recycler)	Proceeding to Assess a Civil Penalty
Knoxville, Tennessee,)	Under Section 113(d) of the Clean Air Act,
)	42 U.S.C. § 7413(d)
Respondent.)	
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Consent Agreement and Final Order

Preliminary Statement

1. This is an administrative action commenced and concluded under Section 113(d) of the Clean Air Act (the CAA), 42 U.S.C. § 7413(d), and Sections 22.1(a)(2), 22.13(b) and 22.18(b)(2) and (3) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules), as codified at 40 C.F.R. Part 22.

2. Complainant is the Director of the Air, Pesticides, and Toxics Management Division, U.S. Environmental Protection Agency (EPA), Region 4.

3. Respondent is ESR Scrap Metal Recycler (ESR), a sole proprietor doing business in Tennessee.

4. Where the Respondent and EPA agree to settle one or more causes of action before the filing of a complaint, the administrative action may be commenced and concluded simultaneously by the issuance of a consent agreement and final order (CAFO). 40 C.F.R. § 22.13(b).

5. Respondent and EPA agree that settling this action without the filing of a complaint or the adjudication of any issue of fact or law is in their interest and in the public interest.

6. Respondent consents to the assessment of the civil penalty specified in this CAFO and to the terms of this CAFO.

Jurisdiction and Waiver of Right to Hearing

7. Respondent admits the jurisdictional Allegations in this CAFO and neither admits nor denies the factual Allegations in this CAFO.

8. Respondent waives its right to request a hearing as provided at 40 C.F.R. § 22.15(c), any right to contest the Allegations in this CAFO and its right to appeal this CAFO.

Statutory and Regulatory Background

9. Subchapter VI of the Act, 42 U.S.C. § 7671 et seq., provides for the protection of stratospheric ozone. Section 608(b) of the Act, 42 U.S.C. § 7671g(b) provides EPA with the authority to regulate the safe disposal of Class I and II substances. Class I and II substances include refrigerants containing chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs). EPA promulgated such regulations covering the safe disposal of CFCs and HCFCs from small appliances and motor vehicle air conditioners at 58 Fed. Reg. 28660 (May 14, 1993). These regulations for protection of the stratospheric ozone, recycling and emissions reduction are found in 40 C.F.R. Part 82, Subpart F.

10. Effective July 13, 1993, persons who take the final step in the disposal process (including but not limited to scrap recyclers) of small appliances, motor vehicle air conditioners (MVACs), and MVAC-like appliances must either recover any remaining refrigerant in accordance with specific procedures or verify, including the use of signed statements or contracts, that the refrigerant was properly recovered prior to receipt of the small appliance or MVAC. See 40 C.F.R. § 82.156(f). If verification statements or contracts are used, the scrap recycler must notify the suppliers of the small appliance, MVAC, or MVAC-like appliance of the

need to properly recover the refrigerant. See 40 C.F.R. § 82.156(f)(3). The scrap recycler must keep verification statements and contracts on-site for a minimum of three years. See 40 C.F.R. § 82.166(i) and (m).

11. EPA's regulations for the protection of the stratospheric ozone, recycling and emissions reduction define "person" to include any individual or legal entity, including an individual or corporation. See 40 C.F.R. § 82.152.

12. EPA's regulations for the protection of stratospheric ozone, recycling and emissions reduction define "disposal" as "the process leading to and including: (1) the discharge, deposit, dumping or placing of any discarded appliance into or on any land or water; (2) the disassembly of any appliance for discharge, deposit, dumping or placing of its discarded component parts into or on any land or water; or (3) the disassembly of any appliance for reuse of its component parts." See 40 C.F.R. § 82.152.

13. EPA's regulations for the protection of the stratospheric ozone, recycling and emissions reduction define a "small appliance" as any appliance that is fully manufactured, charged, and hermetically sealed in a factory with five pounds or less of a Class I or Class II substance used as a refrigerant, including, but not limited to, refrigerators and freezers (designed for home, commercial, or consumer use), medical or industrial research refrigeration equipment, room air conditioners (including window air conditioners and packaged terminal air heat pumps), dehumidifiers, under the counter ice makers, vending machines, and drinking water coolers. See 40 C.F.R. § 82.152.

14. EPA's regulations for the protection of stratospheric ozone, recycling and emissions reduction define "MVACs" as mechanical vapor compression refrigeration equipment

used to cool the driver's or passenger's compartment of any motor vehicle. See 40 C.F.R. §§ 82.32 and 82.152.

15. The Administrator of EPA (the Administrator) may assess a civil penalty of up to \$37,500 per day of violation up to a total of \$295,000 for violations that occurred between January 12, 2009, and December 6, 2013, and up to a total of \$320,000 for violations that occurred after December 6, 2013, under Section 113(d)(1) of the CAA, 42 U.S.C. § 7413(d)(1), and 40 C.F.R. Part 19.

Factual Allegations and Alleged Violations

16. ESR owns and operates a scrap metal recycling facility at 3309 E. Governor John Sevier Highway, Knoxville, Tennessee (the Facility).

17. ESR is a person doing business in Tennessee.

18. ESR is a "person," as defined by 40 C.F.R. § 82.152.

19. ESR is a person who takes the final step in the disposal process of small appliances and is subject to the requirements of 40 C.F.R. Part 82, Subpart F.

20. On May 6, 2014, EPA inspected the Facility to assess ESR's compliance with the CAA. During the May 6, 2014, inspection, EPA observed refrigerators, air conditioners, and components of refrigeration and air conditioning systems at the Facility.

21. During the May 6, 2014, inspection, ESR representatives stated that ESR does not own or operate refrigerant recovery equipment at the Facility. However, the Facility representative said that on occasion; if they receive refrigerators that still have refrigerant lines intact, they set those aside and have a friend who is a heating, ventilation and air conditioning system technician recover the refrigerant. This is done on a sporadic basis.

22. During the May 6, 2014, inspection, an ESR representative stated that ESR does not have contracts with or require written statements from its suppliers verifying that refrigerant had been properly recovered prior to the delivery of small appliances or motor vehicles to its facility.

23. ESR has accepted small appliances without either recovering refrigerant or obtaining verification statements that met the requirements of 40 C.F.R. § 82.156(f) for these small appliances.

24. On September 15, 2014, EPA issued to ESR a Finding of Violation Alleging that it has violated 40 C.F.R. § 82.156(f) because it did not recover refrigerant from small appliances or did not obtain proper verification statements.

25. On October 16, 2014, ESR and EPA discussed the Finding of Violation.

Civil Penalty

26. Based on analysis of the factors specified in Section 113(e) of the CAA, 42 U.S.C. § 7413(e), the facts of this case including cooperation and prompt return to compliance, Complainant has determined that an appropriate civil penalty to settle this action is \$ 15,000.

27. Respondent must pay the \$ 15,000 civil penalty in four installments with interest as follows:

	Due by:	Payment	Principal	Interest
Payment 1	File Date within 30 days	\$3,762.50	3,750.00	\$12.50
Payment 2	File Date+120 days	\$3,778.13	3,750.00	\$28.13
Payment 3	File Date+210 days	\$3,768.75	3,750.00	\$18.75
Payment 4	File Date+300 days	\$3,759.38	3,750.00	\$9.38
	Totals:	\$15,068.75	\$15,000.00	\$68.75

Respondent must pay the installments by sending a cashier's or certified check, payable to

"Treasurer, United States of America," to:

U.S. EPA
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, Missouri 63197-9000

Or, for checks sent by express mail (non-U.S. Postal Service will not deliver mail to P.O. Boxes),

sending a cashier's or certified check, payable to "Treasurer, United States of America," to:

U.S. Bank
Government Lockbox 979077
U.S. EPA Fines and Penalties
1005 Convention Plaza
Mail Station SL-MO-C2-GL
St. Louis, Missouri 63101

The check must note the Respondent's name and the docket number of this CAFO.

28. Respondent must send a notice of payment that states Respondent's name and the docket number of this CAFO to EPA at the following addresses when it pays the penalty:

Attn: Compliance Tracker (AE-17J)
Air Enforcement and Compliance Assurance Branch
Air and Radiation Division
U.S. Environmental Protection Agency, Region 5
77 W. Jackson Boulevard
Chicago, Illinois 60604

Jose DeLeon (C-14J)
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 5
77 W. Jackson Boulevard
Chicago, Illinois 60604

Patricia Bullock
Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 4
61 Forsyth Street SW
Atlanta, Georgia 30303

29. This civil penalty is not deductible for federal tax purposes.

30. If Respondent does not pay timely the civil penalty, EPA may request the Attorney General of the United States to bring an action to collect any unpaid portion of the penalty with interest, nonpayment penalties and the United States enforcement expenses for the collection action under Section 113(d)(5) of the CAA, 42 U.S.C. § 7413(d)(5). The validity, amount and appropriateness of the civil penalty are not reviewable in a collection action.

31. Respondent must pay the following on any amount overdue under this CAFO. Interest will accrue on any overdue amount from the date payment was due at a rate established by the Secretary of the Treasury pursuant to 26 U.S.C. § 6621(a)(2). Respondent must pay the United States enforcement expenses, including but not limited to attorney's fees and costs incurred by the United States for collection proceedings. In addition, Respondent must pay a quarterly nonpayment penalty each quarter during which the assessed penalty is overdue. This nonpayment penalty will be 10 percent of the aggregate amount of the outstanding penalties and nonpayment penalties accrued from the beginning of the quarter. 42 U.S.C. § 7413(d)(5).

General Provisions

32. This CAFO resolves only Respondent's liability for federal civil penalties for the violations Alleged in this CAFO.

33. The CAFO does not affect the rights of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violation of law.

34. This CAFO does not affect Respondent's responsibility to comply with the CAA and other applicable federal, state and local laws. Except as provided in paragraph 33, above,

compliance with this CAFO will not be a defense to any actions subsequently commenced pursuant to federal laws administered by EPA.

35. Respondent certifies that it is complying fully with 40 C.F.R. §§ 82.156(f) and 82.166(i).

36. This CAFO constitutes an “enforcement response” as that term is used in EPA’s Clean Air Act Stationary Civil Penalty Policy to determine Respondent’s “full compliance history” under Section 113(e) of the CAA, 42 U.S.C. § 7413(e).

37. The terms of this CAFO bind Respondent, its successors and assigns.


38. Each person signing this consent agreement certifies that he or she has the authority to sign for the party whom he or she represents and to bind that party to its terms.

39. Respondent agrees to bear its own costs and attorney’s fees in this action.

40. This CAFO constitutes the entire agreement between Respondent and the EPA.

ESR Scrap Metal Recycler, Respondent

4-27-2015
Date



Leo Chen
Manager
ESR Scrap Metal Recycler

United States Environmental Protection Agency, Complainant

7-2-15

Date



Beverly H. Banister
Director

Air, Pesticides, and Toxics Management Division
U.S. Environmental Protection Agency, Region 4

**Consent Agreement and Final Order
In the Matter of: ESR Scrap Metal Recycler
Docket No. CAA-04-2015-1586**

Final Order

This Consent Agreement and Final Order, as agreed to by Respondent and EPA, shall become effective immediately upon filing with the Regional Hearing Clerk. This Final Order concludes this proceeding pursuant to 40 C.F.R. §§ 22.18 and 22.31. IT IS SO ORDERED.

July 20, 2015
Date

Tanya Floyd
Tanya Floyd
Regional Judicial Officer
U.S. Environmental Protection Agency
Region 4

In the Matter of: ESR Scrap Metal Recycler
Docket Number: CAA-04-2015-1586

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of the foregoing **Consent Agreement and Final Order**, which was filed on JUL 21 2015 , this day in the following manner to the addressees:

Copy by Certified Mail
Return Receipt Requested:

Leo Chen, Manager
ESR Scrap Metals Recycler
3309 E. Governor John Sevier Hwy.
Knoxville, Tennessee 37914

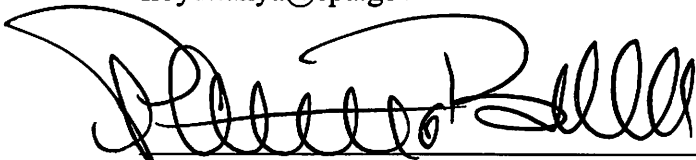
Copy by E-mail to
Complainant:

Jose de Leon
deleon.jose@epa.gov

Copy by E-mail to
Regional Judicial Officer:

Tanya Floyd
floyd.tanya@epa.gov

Dated: 7-21-15



Patricia A. Bullock, Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 4
Atlanta Federal Center
61 Forsyth Street, S.W.
Atlanta, Georgia 30303
(404) 562-9511

CERTIFIED MAIL RECEIPT NUMBER: _____