



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

2012

REPLY TO THE ATTENTION OF:
SC-5J

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Sanford J. Hodes
Senior Vice President
Ryder
11690 NW 105 Street
Miami, Florida 33178-1103

Re: **Total Logistic Control, LLC, Holland, Michigan,**
Consent Agreement and Final Order.
Docket No. **CAA-05-2012-0007**

Dear Mr. Hodes:

Enclosed please find a fully executed Consent Agreement and Final Order (CAFO) in resolution of the above case. U.S. EPA has filed the original CAFO with the Regional Hearing Clerk on Jan 3, 2012. Please pay the civil penalty in the amount of \$180,000 in the manner prescribed in paragraphs 38-43 and reference your check with the number BD 2751203A008 and docket number.

Please feel free to contact Monika Chrzaszcz at (312) 886-0181 if you have any questions regarding the enclosed documents. Please direct any legal questions to Mony Chabria, Regional Counsel, at (312) 886-6842. Thank you for your assistance in resolving this matter.

Sincerely yours,

Michael E. Hans, Chief
Chemical Emergency
Preparedness & Prevention Section

Enclosure

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5

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JAN - 3 2012

REGIONAL HEARING CLERK

IN THE MATTER OF:) Docket No.)
) CAA-05-2012-0007)
) USEPA)
) REGION 5)
Total Logistic Control, LLC) Proceeding to Assess a Civil Penalty)
Holland, MI 49424) under Section 113(d) of the Clean Air)
) Act, 42 U.S.C. § 7413(d))
))
EPA ID: 1000 0000 5013))
RMP ID: 30129))
))
Respondent.))
_____))

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 Act), 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 Superfund Division, United States Environmental Protection Agency (U.S. EPA), Region 5.

3. Respondent is Total Logistic Control, LLC, a limited liability corporation doing business in the State of Michigan.

4. Where the parties 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. The parties 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 entry of this CAFO and the assessment of the specified civil penalty, and agrees to comply with the terms of the 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 the 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. In accordance with Section 112(r) of the Act, 42 U.S.C. § 7412(r), on June 20, 1996, U.S. EPA promulgated regulations to prevent accidental releases of regulated substances and minimize the consequences of those releases that do occur. These regulations, known as the Chemical Accident Prevention Program (CAPP) regulations, are codified at 40 C.F.R. Part 68.

10. As provided at 40 C.F.R. § 68.10(a), the CAPP regulations apply to all stationary sources that have more than a threshold quantity of a regulated substance in a process. The List of Regulated Toxic Substances and Threshold Quantities for Accidental Release Prevention is codified at 40 C.F.R. § 68.130. Procedures to determine whether a threshold quantity of a regulated substance is present in a process at a stationary source are codified at 40 C.F.R. § 68.115.

11. As defined at 40 C.F.R. § 68.3, “process” means any activity involving a regulated substance including any use, storage, manufacturing, handling, on-site movement of such

substances, or combination of these activities. For the purposes of this definition, any group of vessels that are interconnected, or separate vessels that are located such that regulated substances could be involved in a potential release, shall be considered a single process.

12. As defined at 40 C.F.R. § 68.3, “stationary source” means any buildings, structures, equipment, installations, or substance emitting stationary activities which belong to the same industrial group, which are located on one or more contiguous properties, which are under the control of the same person, and from which an accidental release may occur.

13. According to 40 C.F.R. § 68.12(a), the owner or operator of a stationary source subject to the requirements of 40 C.F.R. Part 68 must submit a single Risk Management Plan (RMP), as provided in 40 C.F.R. §§ 68.150 to 68.185.

14. Under 40 C.F.R. §§ 68.10(a) and 68.150, the owner or operator of a stationary source subject to the requirements of 40 C.F.R. Part 68 must submit the RMP no later than the latest of the following dates: June 21, 1999; three years after the date on which the regulated substance is first listed under 40 C.F.R. § 68.130; or the date on which a regulated substance is first present in more than a threshold quantity in a process.

15. Under 40 C.F.R. § 68.10, covered processes are subjected to one of three sets of program requirements: Program 1 eligibility requirements; Program 2 eligibility requirements; or Program 3 eligibility requirements.

16. Under 40 C.F.R. § 68.10(d), Program 3 applies to a process that (1) does not meet the requirements of Program 1 eligibility, as set forth at 40 C.F.R. § 68.10(b), and (2) is subject to the OSHA Process Safety Management (PSM) standard set forth at 29 C.F.R. § 1910.119.

17. Under 40 C.F.R. § 68.10(b), Program 1 applies to a process that meets all the following requirements: (1) for the five years prior to the submission of an RMP, the process has not had an accidental release of a regulated substance where exposure to the substance, its reaction products, over-pressure generated by an explosion involving the substance, or radiant heat generated by a fire involving the substance led to off-site death, injury, or response or restoration activities for an exposure of an environmental receptor; (2) the distance to a toxic or flammable endpoint for a worst-case release assessment conducted under 40 C.F.R. § 68.25 is less than the distance to any public receptor; and (3) emergency response procedures have been coordinated between the stationary source and local emergency planning and response organizations.

18. The OSHA PSM standard applies to a process which involves a chemical at or above the threshold quantities listed in Appendix A of 29 C.F.R. § 1910.119.

19. The general requirements at 40 C.F.R. § 68.12(d)(2) require that the owner or operator of a stationary source with a process subject to Program 3 requirements conduct a hazard assessment as provided in 40 C.F.R. §§ 68.20 through 68.42, implement the prevention requirements of 40 C.F.R. §§ 68.65 through 68.87, develop and implement an emergency response program as provided in 40 C.F.R. §§ 68.90 through 68.95.

20. Under Section 113(d)(1) of the Act, 42 U.S.C. § 7413(d)(1), and 40 C.F.R. Part 19, the Administrator of U.S. EPA (Administrator) may assess a civil penalty of up to \$27,500 per day of violation of the Act, up to a total of \$220,000, for violations that occurred on or after January 31, 1997, through March 15, 2004, may assess a civil penalty of up to \$32,500 per day of violation, up to a total of \$270,000, for violations that occurred after March 15, 2004,

through January 12, 2009; and 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 after January 12, 2009.

21. Section 113(d)(1) limits the Administrator's authority to matters where the first alleged date of violation occurred no more than 12 months prior to initiation of the administrative action, except where the Administrator and Attorney General of the United States jointly determine that a matter involving a longer period of violation is appropriate for an administrative penalty action.

22. The Administrator and the Attorney General of the United States, each through their respective delegates, have determined jointly that an administrative penalty action is appropriate for the period of violations alleged in this complaint.

Factual Allegations and Alleged Violations

23. Respondent is a Delaware corporation with a place of business located at 449 Howard Avenue, Holland, Michigan 49424 (the facility).

24. Respondent is a "person," as defined at Section 302(e) of the Act, 42 U.S.C. § 7602(e).

25. At the facility, Respondent operates a refrigerated warehouse for bulk products, which uses anhydrous ammonia for refrigeration.

26. The facility is a "stationary source," as that term is defined at 40 C.F.R. § 68.3.

27. Respondent is the "owner or operator" of the facility, as defined at Section 112(a)(9) of the Act, 42 U.S.C. § 7412(a)(9).

28. Respondent's use and storage of anhydrous ammonia is a "process," as defined at 40 C.F.R. § 68.3.

29. Anhydrous ammonia is listed as a regulated toxic substance in Tables 1 and 2 of 40 C.F.R. § 68.130.

30. Anhydrous ammonia is a “regulated substance,” as that term is defined in Section 112(r)(2) of the Act, 42 U.S.C. § 7412(r)(2) and 40 C.F.R. § 68.3.

31. The “threshold quantity” (as that term is defined in 40 C.F.R. § 68.3) for anhydrous ammonia is 10,000 pounds, as listed in 40 C.F.R. § 68.130, Tables 1 and 2.

32. At all times relevant to this CAFO, Respondent had present at its facility an amount of anhydrous ammonia greater than 10,000 pounds.

33. The distance from the facility to a toxic or flammable endpoint for a worst-case release assessment conducted under 40 C.F.R. § 68.25 is greater than the distance to any public receptor.

34. Respondent’s process is subject to the OSHA PSM standard set forth at 29 C.F.R. § 1910.119.

35. On May 19, 2004, Respondent submitted an initial RMP for the process, which indicated the process is subject to the Program 3 eligibility requirements.

36. On May 14, 2009, an authorized representative of U.S. EPA conducted a compliance inspection at the facility to determine Respondent’s compliance with the Risk Management Program regulations.

37. Based on the inspection, U.S. EPA alleges that Respondent has committed the following violations:

a. Count 1 -- Respondent failed to use the greatest amount held in a single vessel, taking into account administrative controls that limit the maximum quantity when it determined the worst-case release quantity, in violation of 40 C.F.R. § 68.25(b).

- b. Count 2 -- Respondent failed to maintain records on the worst case release scenario analysis, in violation of 40 C.F.R § 68.39(a).
- c. Count 3 -- Respondent failed to maintain records on the alternative release scenario analysis, in violation of 40 C.F.R § 68.39(b).
- d. Count 4 -- Respondent failed to maintain records of the methodology used to determine distance to endpoints, in violation of 40 C.F.R § 68.39(d).
- e. Count 5 -- Respondent failed to maintain records of the data used to estimate population and environmental receptors potentially affected, for the offsite consequence analysis, in violation of 40 C.F.R § 68.39(e).
- f. Count 6 -- Respondent failed to compile written process safety information about the technology of the process that included maximum intended inventory before conducting the process hazard analysis, in violation of 40 C.F.R. §§ 68.65(a) and 68.65(c)(1)(iii).
- g. Count 7 -- Respondent failed to compile written process safety information about the equipment in the process that included the relief system design and design basis, in violation of 40 C.F.R. §§ 68.65(a) and 68.65(d)(1)(iv).
- h. Count 8 -- Respondent failed to compile written process safety information about the equipment in the process that included the ventilation system design, in violation of 40 C.F.R. §§ 68.65(a) and 68.65(d)(1)(v).
- i. Count 9 -- Respondent failed to compile written process safety information about the equipment in the process that included the design codes and standards employed, in violation of 40 C.F.R. §§ 68.65(a) and 68.65(d)(1)(vi).

j. Count 10 -- Respondent failed to compile written process safety information about the equipment in the process that included the safety systems, in violation of 40 C.F.R. §§ 68.65(a) and 68.65(d)(1)(viii).

k. Count 11 -- Respondent failed to document that the equipment in the process complied with recognized and generally accepted good engineering practices, in violation of 40 C.F.R. §§ 68.65(a) and 68.65(d)(2).

l. Count 12 -- Respondent failed to establish a system to promptly address the process hazard analysis team's findings and recommendations; assure that the recommendations are resolved in a timely manner and the resolution is documented; document what actions are to be taken; complete actions as soon as possible; develop a written schedule of when these actions are to be completed; and communicate the actions to operating, maintenance, and other employees whose work assignments are in the process and who may be affected by the recommendations or actions, in violation of 40 C.F.R. § 68.67(e).

m. Count 13 -- Respondent failed to retain documented resolution of recommendations described in 40 C.F.R. § 68.67(e), for the life of the process, in violation of 40 C.F.R. § 68.67(g).

n. Count 14 -- Respondent failed to develop and implement written operating procedures that provide clear instructions for safely conducting emergency shutdown, in violation 40 C.F.R. § 68.69(a)(1)(iv).

o. Count 15 -- Respondent failed to develop and implement written procedures that address the consequences of deviation from operating limits, in violation of 40 C.F.R. § 68.69(a)(2)(i).

p. Count 16 – Respondent failed to develop and implement written procedures that address the steps required to correct or avoid deviation from operating limits, in violation of 40 C.F.R. § 68.69(a)(2)(ii).

q. Count 17 – Respondent failed to certify annually that operating procedures are current and accurate, in violation of 40 C.F.R. § 68.69(c).

r. Count 18 – Respondent failed to train each employee involved in operating a process in the operating procedures or to certify in writing that the employees have the required knowledge, skills, and abilities to safely carry out the duties and responsibilities as specified in the operating procedures, in violation of 40 C.F.R. § 68.71(a).

s. Count 19 – Respondent failed to provide refresher training at least every three years to each employee involved in operating the anhydrous ammonia process to assure that each employee understands and adheres to the current operating procedures of the process, in violation of 40 C.F.R. § 68.71(b).

t. Count 20 – Respondent failed to ascertain that each employee involved with the ammonia covered process had received and understood the initial and refresher training and to create a record with the identity of the employee, the date of training, and the means used to verify that the employee understood the training, in violation of 40 C.F.R. § 68.71(c).

u. Count 21 – Respondent failed to have and implement written procedures to maintain the on-going integrity of the process equipment, in violation of 40 C.F.R. § 68.73(b).

v. Count 22 – Respondent failed to follow recognized and generally accepted good engineering practices for inspections and testing procedures, in violation of 40 C.F.R. § 68.73(d)(2).

w. Count 23 – Respondent failed to ensure the frequency of inspections and tests of process equipment is consistent with applicable manufacturers’ recommendations, good engineering practices, and prior operating experience, in violation of 40 C.F.R. § 68.73(d)(3).

x. Count 24 – Respondent failed to document each inspection and test performed on covered process equipment accordingly, in violation of 40 C.F.R. § 68.73(d)(4).

y. Count 25 – Respondent failed to implement written procedures to manage changes to process chemicals, technology, equipment, and procedures, and change to stationary sources that affect a covered process, in violation of 40 C.F.R. § 68.75(a).

z. Count 26 – Respondent failed to perform a pre-startup safety review for the March 1, 2004 and May 6, 2009, modifications, in violation of 40 C.F.R. § 68.77(a).

aa. Count 27 – Respondent failed to document an appropriate response to each of the findings of the compliance audits and document that deficiencies were corrected, in violation of 40 C.F.R. § 68.79(d).

bb. Count 28 – Respondent failed to investigate promptly each incident which could have resulted in a catastrophic release of anhydrous ammonia, in violation of 40 C.F.R. § 68.81(a) and (b).

cc. Count 29 – Respondent failed to develop and implement safe work practices to control the entrance, presence, and exit of the contract owner or operator and contract employees in the covered process areas, in violation of 40 C.F.R. § 68.87(b)(4).

dd. Count 30 – Respondent failed to have an emergency response program for the purpose of protecting public health and the environment, and include in the program procedures to review and update the emergency response plan to reflect changes and ensure that employees are informed of changes, in violation of 40 C.F.R. § 68.95(a)(4).

Civil Penalty

38. Based on analysis of the factors specified in Section 113(e) of the Act, 42 U.S.C. § 7413(e), and the facts of this case, Complainant has determined that an appropriate civil penalty to settle this action is \$180,000.

39. Within 30 days after the effective date of this CAFO, Respondent must pay a \$180,000 civil penalty by sending a cashier's or certified check payable to the "Treasurer, United States of America," to:

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

The check must note the case name, docket number of this CAFO and the billing document number.

40. A transmittal letter stating Respondent's name, complete address, the case docket number, and the billing document number must accompany the payment. Respondent must send a copy of the check and transmittal letter to:

Attn: Regional Hearing Clerk, (E-19J)
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd.
Chicago, IL 60604

Monika Chrzaszcz, (SC-5J)
Chemical Emergency Preparedness
and Prevention Section
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd.
Chicago, IL 60604

Mony Chabria, (C-14J)
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd.
Chicago, IL 60604

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

42. If Respondent does not pay timely the civil penalty, or any stipulated penalties due under paragraph 43, below, U.S. EPA may bring an action to collect any unpaid portion of the penalty with interest, handling charges, nonpayment penalties and the United States' enforcement expenses for the collection action under Section 113(d)(5) of the Act, 42 U.S.C. § 7413(d)(5). The validity, amount, and appropriateness of the civil penalty are not reviewable in a collection action.

43. Pursuant to 31 C.F.R. § 901.9, 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. Respondent must pay a \$15 handling charge each month that any portion of the penalty is more than 30 days past due. In addition, Respondent must pay a quarterly nonpayment penalty each quarter during which the assessed penalty is overdue according to Section 113(d)(5) of the Act, 42 U.S.C. § 7413(d)(5). 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.

General Provisions

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

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

46. This CAFO does not affect Respondent's responsibility to comply with the Act and other applicable federal, state, and local laws. Except as provided in paragraph 44 above, compliance with this CAFO will not be a defense to any actions subsequently commenced pursuant to federal laws administered by Complainant.

47. Respondent certifies that it is complying fully with Section 112(r) of the Act, 42 U.S.C. § 7412(r).

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

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

50. 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.

51. Each party agrees to bear its own costs and attorneys' fees in this action.

52. This CAFO constitutes the entire agreement between the parties.

CONSENT AGREEMENT AND FINAL ORDER
In the Matter of: Total Logistic Control, LLC, Holland, Michigan
Docket No. CAA-05-2012-0007


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REGION 5**

Total Logistic Control, LLC, Respondent

December 12, 2011
Date


Name: Sanford Hides
Title: Senior Vice President

United States Environmental Protection Agency, Complainant

12-27-11
Date


Richard Karl, Director
Superfund Division

CONSENT AGREEMENT AND FINAL ORDER
In the Matter of: Total Logistic Control, LLC, Holland, Michigan
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Final Order

This Consent Agreement and Final Order, as agreed to by the parties, 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.

12-28-11
Date



Susan Hedman
Regional Administrator
U.S. Environmental Protection
Agency, Region 5

Certificate of Service

I hereby certify that I have caused a copy of the foregoing Consent Agreement and Final Order (CAFO) to be served upon the persons designated below, on the date below, by causing said copies to be delivered by depositing in the U.S. Mail, First Class, and certified-return receipt requested, postage prepaid, at Chicago, Illinois, in envelope addressed to:

Sanford J. Hodes
Senior Vice President
Ryder
11690 NW 105 Street
Miami, Florida 33178-1103

I have further caused the original CAFO and this Certificate of Service, and one copy, to be filed with the Regional Hearing Clerk, U.S. EPA, Region 5, 77 West Jackson Boulevard, Chicago, Illinois 60604, on the date below.

Dated this 3rd day of January, 2012

CAA-05-2012-0007 20.



Monika Chrzaszcz
U.S. Environmental Protection Agency
Region 5

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