

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8

IN THE MATTER OF:

Trane U.S. Inc.
800-E Beaty Street
Davidson, NC 28036-6924

EPA Docket No. CAA-08-2026-0008

Proceeding Pursuant to
Section 113(a)(3) of the Clean Air Act,
42 U.S.C. § 7413(a)(3)

EXPEDITED SETTLEMENT AGREEMENT

I. JURISDICTION

1. This is an expedited administrative penalty assessment proceeding brought for alleged violations of the American Innovation in Manufacturing Act of 2020 (AIM Act), 42 U.S.C. § 7675, which governs the import of hydrofluorocarbons (HFCs). This proceeding is brought under Section 113(d) of the Clean Air Act (CAA), 42 U.S.C. § 7413(d), which authorizes the United States Environmental Protection Agency (EPA) to bring administrative civil enforcement actions.
2. This expedited settlement agreement (Agreement) is entered into under Section 113(d) of the CAA, as amended, 42 U.S.C. § 7413(d), and the Consolidated Rules of Practice Governing the Administrative Assessment of Penalties and the Revocation/Termination or Suspension of Permits, 40 C.F.R. Part 22.
3. Complainant is the United States Environmental Protection Agency. On the EPA's behalf, the Branch Manager of the Air and Toxics Enforcement Branch, Enforcement and Compliance Assurance Division of EPA Region 8, is delegated the authority to settle civil administrative penalty proceedings under Section 113(d) of the CAA.
4. Respondent is Trane U.S. Inc. and is a "person" as defined below and identified further in Table 1 of ESA Attachment 1.
5. Complainant and Respondent (together, the "Parties"), having agreed that settlement of this action is in the public interest, consent to the issuance of a final order ("Final Order" or "Order") ratifying this Agreement before taking testimony and without adjudication of any issues of law or fact herein, and Respondent agrees

to comply with the terms of this Agreement and Final Order.

6. The Regional Judicial Officer is authorized to ratify this Agreement, which memorializes a settlement between Complainant and Respondent. 40 C.F.R. §§ 22.4(b) and 22.18(b).
7. The ratification of the Final Order, incorporating this Agreement, simultaneously commences and concludes this proceeding. 40 C.F.R. § 22.13(b).

II. GOVERNING LAW

8. This proceeding arises under the AIM Act, 42 U.S.C. § 7675, and the regulations promulgated thereunder, which impose limits on HFC production and consumption.
9. The EPA is authorized to enforce the AIM Act and any regulation promulgated thereunder pursuant to the federal enforcement authorities established by Section 113(a) of the CAA, 42 U.S.C. § 7413(a). 42 U.S.C. § 7675(k)(1)(C).
10. The EPA regulations at 40 C.F.R. Part 84, Subpart A, implement the AIM Act requirement to phase down HFC production and consumption.
11. The regulations at 40 C.F.R. Part 84, Subpart A, apply to any person who imports a regulated substance. 40 C.F.R. §§ 84.1(b) and 84.1(b) (2022)³.
12. From January 1, 2022, through September 17, 2023, 40 C.F.R. § 84.5(b)(1) (2022) provided that “[n]o person may import bulk regulated substances, except by expending, at the time of the import, consumption or application-specific allowances in a quantity equal to the exchange-value weighted equivalent of the regulated substances imported.”
13. 40 C.F.R. § 84.5(b)(1) states that “[n]o person may import bulk regulated substances, either as a single component or a multicomponent substance, except . . . [i]f the importer of record possesses at the time they are required to submit reports to EPA pursuant to § 84.31(c)(7), and expends at the time of ship berthing for vessel arrivals, border crossing for land arrivals such as trucks, rails, and autos, and first point of terminus in U.S. jurisdiction for arrivals via air, consumption or application-specific allowances in a quantity equal to the exchange-value weighted equivalent of the regulated substances imported, whether present

³ If a version of the regulations was different in 2022 from the current version of the regulations, it is cited as “2022” in this Expedited Settlement Agreement.

as a single component or a multicomponent blend.”

14. 40 C.F.R. § 84.5(b)(7)⁴ states that “every kilogram of bulk regulated substances imported ... constitutes a separate violation of this subpart.”
15. 40 C.F.R. § 84.31(a) provides that “any person who ... imports, ... regulated substances ... must comply with the [specified] reporting requirements.”
16. From January 1, 2022, through September 17, 2023, 40 C.F.R. § 84.31(c)(7) (2022) provided that “Persons” (importers) who import regulated substances must report “the [specified information] no later than 14 days before importation via a Customs and Border Protection-authorized electronic data interchange system, such as the Automated Broker Interface.”
17. 40 C.F.R. § 84.31(c)(7) provides that “Persons” (importers) who import regulated substances must report “the [specified information] no later than 10 days if arriving by marine vessel or 5 days for non-marine vessel prior to the date of importation ... , via a U.S. Customs and Border Protection-authorized electronic data interchange system, such as the Automated Broker Interface (authorized agents may permissibly file on behalf of an importer of record).”
18. The regulations at 40 C.F.R. Part 84, Subpart A, contain the following definitions:
 - a. An “allowance” is defined as a “limited authorization for the production or consumption of a regulated substance established under subsection (e) of Section 103 in Division S, Innovation for the Environment, of the Consolidated Appropriations Act, 2021 (Pub. L. 116-260) (the AIM Act). An allowance allocated under subsection (e) of Section 103 in Division S of the AIM Act does not constitute a property right.” 40 C.F.R. § 84.3.
 - b. An “application-specific allowance” is defined as “a limited authorization granted in accordance with subsection (e)(4)(B)(iv) of the AIM Act for the production or import of a regulated substance for use in the specifically identified applications that are listed in that subsection and in accordance with the restrictions contained at § 84.5(c).” 40 C.F.R. § 84.3.
 - c. “Bulk” is defined as “a regulated substance of any amount that is in a container

⁴ For violations occurring prior to September 18, 2023, this citation should be to 40 C.F.R. § 84.5(b)(6) (2022).

for the transportation or storage of that substance such as cylinders, drums, ISO tanks, and small cans. A regulated substance that must first be transferred from a container to another container, vessel, or piece of equipment in order to realize its intended use is a bulk substance. A regulated substance contained in a manufactured product such as an appliance, an aerosol can, or a foam is not a bulk substance.” 40 C.F.R. § 84.3.

- d. “Consumption allowances” are “a limited authorization to produce and import regulated substances; however, consumption allowances may be used to produce regulated substances only in conjunction with production allowances.” 40 C.F.R. § 84.3.
- e. “Exchange value” is defined as the “value assigned to a regulated substance in accordance with AIM Act subsections (c) and (e), as applicable, and as provided in Appendix A to 40 C.F.R. Part 84.” 40 C.F.R. § 84.3.
- f. “Exchange value equivalent” is defined as “the exchange value-weighted amount of a regulated substance obtained by multiplying the mass of a regulated substance by the exchange value of that substance.” 40 C.F.R. § 84.3.
- g. “Import” is defined as “to land on, bring into, or introduce into, or attempt to land on, bring into, or introduce into, any place subject to the jurisdiction of the United States, regardless of whether that landing, bringing, or introduction constitutes an importation within the meaning of the customs laws of the United States. Offloading used regulated substances recovered from equipment aboard a marine vessel, aircraft, or other aerospace vehicle during servicing is not considered an import.” 40 C.F.R. § 84.3.
- h. “Importer” is defined as “any person who imports a regulated substance into the United States. ‘Importer’ includes the person primarily liable for the payment of any duties on the merchandise or an authorized agent acting on his or her behalf. The term also includes: (1) [t]he consignee; (2) [t]he importer of record; (3) [t]he actual owner; or (4) [t]he transferee, if the right to draw merchandise in a bonded warehouse has been transferred.” 40 C.F.R. § 84.3.
- i. “Person” is defined as “any individual or legal entity, including an individual, corporation, partnership, association; state, municipality, political subdivision

of a state, Indian tribe; any agency, department, or instrumentality of the United States; and any officer, agent, or employee thereof.” 40 C.F.R. § 84.3.

- j. “Regulated substance” is defined as “a hydrofluorocarbon listed in the table contained in subsection (c)(1) of the AIM Act and a substance included as a regulated substance by the Administrator under the authority granted in subsection (c)(3).” 40 C.F.R. § 84.3.

19. A current list of regulated substances, their chemical formulas, and their exchange values can be found in Appendix A to 40 C.F.R. Part 84. *See* 40 C.F.R. § 84.3.
20. The compound HFC-134a is regulated by the AIM Act and has an exchange value of 1,430. 40 C.F.R. Part 84, Appendix A.
21. From January 1, 2022 through September 17, 2023, 40 C.F.R. § 84.5(b)(2) (2022) provided that “[e]ach person meeting the definition of importer for a particular regulated substance import transaction is jointly and severally liable for a violation of paragraph (b)(1) of this section, unless they can demonstrate that another party who meets the definition of an importer met one of the exceptions set forth in paragraph (b)(1).”
22. 40 C.F.R. § 84.5(b)(3) states that “[e]ach person meeting the definition of importer for a particular regulated substance import transaction is jointly and severally liable for a violation of paragraph (b)(1) of this section, unless they can demonstrate that the importer of record possessed and expended allowances in accordance with the requirement outlined in paragraph (b)(1)(i) or (v) of this section or another party who meets the definition of an importer met one of the exceptions set forth in paragraphs (b)(1)(ii) through (iv) of this section.”

III. ALLEGED VIOLATION(S) OF LAW

23. The EPA alleges that on 11 separate instances which occurred on or about March 17, 2022; June 17, 2022; July 21, 2022; August 17, 2022; August 31, 2022; September 19, 2022; October 4, 2022; October 18, 2022; December 21, 2022; June 5, 2023; and January 17, 2024, Respondent violated the prohibition on importing bulk regulated substances into the United States without expending allowances as required by 40 C.F.R. § 84.5(b) (2022) or 40 C.F.R. § 84.5(b) for each of the 53.6 kg of HFC-134a, imported for testing or sampling purposes, identified in Table 1 of ESA

Attachment 1.

24. The EPA alleges Respondent violated 40 C.F.R. § 84.31(c)(7) (2022) by failing to submit advance notification reports on 10 occasions for the HFCs imported prior to September 18, 2023, identified in Table 1 of ESA Attachment 1, no later than 14 days prior to importation.
25. The EPA alleges Respondent violated 40 C.F.R. § 84.31(c)(7) by failing to submit an advance notification report for the HFCs imported on or about January 17, 2024, identified in Table 1 of ESA Attachment 1, via a non-marine vessel mode of transport, no later than 5 days prior to importation.

IV. TERMS OF AGREEMENT

26. For the purpose of this proceeding, as required by 40 C.F.R. § 22.18(b)(2), Respondent:
 - a. admits that the EPA has jurisdiction over the subject matter alleged in this Agreement;
 - b. admits the facts stipulated in Table 1 of ESA Attachment 1;
 - c. consents to the assessment of a civil penalty as stated in Table 3 of ESA Attachment 1 and below;
 - d. waives any right to contest the alleged violations of law set forth in Section III of this Agreement; and
 - e. waives its right to appeal the Order accompanying this Agreement.
27. By signing this Agreement, Respondent waives any rights or defenses that Respondent has or may have for this matter to be resolved in federal court, including but not limited to any right to a jury trial, and waives any right to challenge the lawfulness of the Final Order accompanying the Agreement.
28. For the purpose of this proceeding, Respondent:
 - a. agrees that this Agreement states a claim upon which relief may be granted against Respondent;
 - b. acknowledges that this Agreement constitutes an enforcement action for purposes of considering Respondent's compliance history in any subsequent enforcement actions related to the Respondent;
 - c. certifies that it completed the corrective action as set forth in Table 4 of ESA

Attachment 1;

- d. waives its right to request a hearing, any right to contest the allegations in this Expedited Settlement Agreement and Final Order and its right to appeal this Expedited Settlement Agreement and Final Order;
- e. consents to personal jurisdiction in any action to enforce this Agreement or Order, or both, in an appropriate United States District Court; and
- f. waives any rights it may possess at law or in equity to challenge the authority of the EPA to bring a civil action in an appropriate United States District Court to compel compliance with the Agreement or Order, or both, and to seek an additional penalty for noncompliance with the Agreement or Order and agrees that federal law shall govern in any such civil action.

V. TERMS OF PAYMENT

- 29. Respondent agrees to pay a civil penalty in the amount of \$17,370 (Assessed Penalty), which is stated in Table 3 of ESA Attachment 1, within thirty (30) calendar days after the date the Final Order ratifying this Agreement is filed with the Regional Hearing Clerk (Filing Date). Respondent shall pay the Assessed Penalty and any interest, fees, and other charges due using any method, or combination of appropriate methods, as provided on the EPA website: <https://www.epa.gov/financial/makepayment>. For additional instructions see: <https://www.epa.gov/financial/additional-instructions-making-payments-epa>.
- 30. When making a payment, Respondent shall:
 - a. identify every payment with Respondent's name and the docket number of this Agreement, CAA-08-2026- 0008
 - b. concurrently with any payment or within 24 hours of any payment, Respondent shall serve proof of such payment to the following persons:

Regional Hearing Clerk

U.S. Environmental Protection Agency, Region 8

ORC-IO, 1595 Wynkoop Street, Denver CO 80202

R8_hearing_clerk@epa.gov

Branch Manager, Air and Toxics Enforcement Branch
Enforcement and Compliance Assurance Division
U.S. Environmental Protection Agency, Region 8
8ENF-AT, 1595 Wynkoop Street, Denver CO 80202
R8AirReportEnforcement@epa.gov
and

U.S. Environmental Protection Agency
Cincinnati Finance Center
Via electronic mail to:
CINWD_AcctsReceivable@epa.gov

“Proof of payment” means, as applicable, a copy of the check, confirmation of credit card or debit card payment, or confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate that payment has been made according to EPA requirements, in the amount due, and identified with the appropriate docket number and Respondent’s name.

31. Interest, Charges, and Penalties on Late Payments. Pursuant to 42 U.S.C. § 7413(d)(5), 31 U.S.C. § 3717, 31 C.F.R. § 901.9, and 40 C.F.R. § 13.11, if Respondent fails to timely pay any portion of the Assessed Penalty per this Agreement, the entire unpaid balance of the Assessed Penalty and all accrued interest shall become immediately due and owing, and the EPA is authorized to recover the following amounts.
 - a. Interest. Interest begins to accrue from the Filing Date. If the Assessed Penalty is paid in full within thirty (30) days, interest accrued is waived. If the Assessed Penalty is not paid in full within thirty (30) days, interest will continue to accrue until any unpaid portion of the Assessed Penalty as well as any interest, penalties, and other charges are paid in full. Per 42 U.S.C. § 7524(c)(6), interest will be assessed pursuant to 26 U.S.C. § 6621(a)(2), that is the IRS standard underpayment rate, equal to the Federal short-

term rate plus 3 percentage points.

b. Handling Charges. The United States' enforcement expenses including, but not limited to, attorneys' fees and costs of handling collection.

c. Late Payment Penalty. A ten percent (10%) quarterly non-payment penalty.

32. Late Penalty Actions. In addition to the amounts described in the prior Paragraph, if Respondent fails to timely pay any portion of the Assessed Penalty per this Agreement, the EPA may take additional actions. Such actions the EPA may take include, but are not limited to, the following.

a. Refer the debt to a credit reporting agency or a collection agency, per 40 C.F.R. §§ 13.13 and 13.14.

b. Collect the debt by administrative offset (i.e., the withholding of money payable by the United States government to, or held by the United States government for, a person to satisfy the debt the person owes the United States government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, per 40 C.F.R. Part 13, Subparts C and H.

c. Suspend or revoke Respondent's licenses or other privileges, or suspend or disqualify Respondent from doing business with the EPA or engaging in programs the EPA sponsors or funds, per 40 C.F.R. § 13.17.

d. Request that the Attorney General bring a civil action in the appropriate district court to enforce the Final Order and recover the full remaining balance of the Assessed Penalty, in addition to interest and the amounts described above, pursuant to 42 U.S.C. § 7413(d)(5). In any such action, the validity, amount, and appropriateness of the Assessed Penalty and Final Order shall not be subject to review.

33. Allocation of Payments. Pursuant to 31 C.F.R. § 901.9(f) and 40 C.F.R. § 13.11(d), a partial payment of debt will be applied first to outstanding handling charges, second to late penalty charges, third to accrued interest, and last to the principal that is the outstanding Assessed Penalty amount.

34. Tax Treatment of Penalties. Pursuant to 26 U.S.C. § 162(f), penalties, interest, and other charges paid pursuant to this Agreement shall not be deductible for purposes

of federal taxes.

35. By signing this Agreement, Respondent certifies that the information it has supplied concerning this matter was at the time of submission true, accurate, and complete for each such submission, response, and statement. Respondent acknowledges that there are significant penalties for submitting false or misleading information, including the possibility of fines and imprisonment for knowing submission of such information, under 18 U.S.C. § 1001.
36. By signing this Agreement, Respondent acknowledges that this Agreement and Order, including identifying information such as name, federal tax ID number, mailing and e-mail address, will be available to the public when the Agreement and Certificate of Service are filed and uploaded to a searchable database and agrees that this Agreement does not contain any confidential business information or other personally identifiable information.
37. By signing this Agreement, the undersigned representative of Complainant and the undersigned representative of Respondent each certify that they are fully authorized to execute and enter into the terms and conditions of this Agreement and has the legal capacity to bind the party they represent to this Agreement.
38. By signing this Agreement, Respondent agrees to acceptance of the Complainant's: (a) digital or an original signature on this Agreement; and (b) service of the fully executed Agreement on the Respondent by mail or electronically by e-mail. Respondent understands that the mailing or e-mail address may be made public when the Agreement and Certificate of Service are filed and uploaded to a searchable database. Complainant agrees to acceptance of the Respondent's digital or an original signature on this Agreement.
39. Each party shall bear its own attorney's fees, costs, and disbursements incurred in this proceeding.

VI. EFFECT OF AGREEMENT AND ATTACHED FINAL ORDER

40. In accordance with 40 C.F.R. § 22.18(c), completion of the terms of this Agreement and Final Order resolves only Respondent's liability for federal civil penalties for the violations identified in Section III of this Agreement.
41. This Agreement constitutes the entire agreement and understanding of the Parties

and supersedes any prior agreements or understandings among the Parties with respect to the subject matter hereof.

42. The terms, conditions, and compliance requirements of this Agreement may not be modified or amended after it is ratified except upon the written agreement of both Parties, and approval of the Regional Judicial Officer.
43. Any violation of this Agreement or Order may result in a civil judicial action for an injunction, or civil penalties of up to \$124,426 per day per violation (with each kilogram a separate violation), or both, as provided in Section 113(b)(2) of the Act, 42 U.S.C. § 7413(b)(2), as well as criminal sanctions as provided in Section 113(c) of the Act, 42 U.S.C. § 7413(c). The EPA may use any information submitted under this Agreement in an administrative, civil judicial, or criminal action.
44. Nothing in this Agreement shall relieve Respondent of the duty to comply with all applicable provisions of the Act and other federal, state, or local laws or statutes, nor shall it restrict the EPA's authority to seek compliance with any applicable laws or regulations, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit.
45. Nothing herein shall be construed to limit the power of the EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment.
46. The EPA reserves the right to revoke this Agreement and settlement penalty if and to the extent that the EPA finds, after signing this Agreement, that any information provided by Respondent was materially false or inaccurate at the time such information was provided to the EPA, and the EPA reserves the right to assess and collect any and all civil penalties for any violation described herein. The EPA shall give Respondent notice of its intent to revoke, which shall not be effective until received by Respondent.
47. Respondent and Complainant agree to the Regional Judicial Officer's issuance of the attached Final Order ratifying the Agreement.

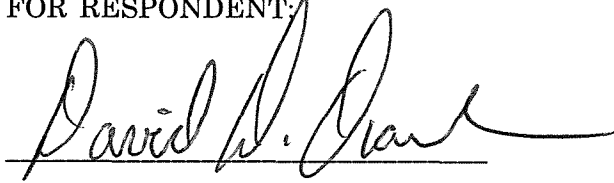
The foregoing Agreement In the Matter of Trane U.S Inc., Docket No.
is Hereby Stipulated, Agreed, and Approved.

COMPLAINANT:

Scott Patefield, Branch Manager
Air and Toxics Enforcement Branch
Enforcement and Compliance Assurance Division
U.S. Environmental Protection Agency Region 8

The foregoing Agreement In the Matter of Trane U.S Inc., Docket No. _____,
is Hereby Stipulated, Agreed, and Approved.

FOR RESPONDENT:



Signature

August 24, 2026

Date

Printed Name: David D. O'camb

Title: Director, Global Environmental Programs

Address: 800E Beaty Street, Davidson, NC 28036

Federal Tax Identification Number: 25-0900465

ESA ATTACHMENT 1

AMERICAN INNOVATION AND MANUFACTURING ACT INVESTIGATION FACTS, ALLEGED VIOLATIONS, PENALTY, AND CORRECTIVE ACTION FORM

Table 1 – Investigation Stipulated Facts					
1.a – Investigation and Respondent Details					
Offsite Compliance Monitoring Activity Date(s): Clean Air Act section 114 information request issued August 13, 2024			Docket Number:		
Person/Importer Name (Respondent) and Importer Number: Trane U.S. Inc. Importer Number 25-090046503			Inspector(s) Name(s) and Email Address: Katelyn Bergl, Bergl.Katelyn@epa.gov Christine Tokarz, Tokarz.Christine@epa.gov		
Respondent Address: 800-E Beaty Street Davidson, NC 28036-6924			Date of Detention or Hold: Not Applicable – Shipments made entry		
Did the importer have and expend allowances equal to the imported HFCs? No			Did the importer receive any non-objection notices from the EPA? No		
Total Subject Regulated Product(s) and Mass (in kg): (Subject HFCs) 53.6 kg of HFC-134a See Section 1.b for details			Total metric tons of exchange value equivalent (MTEVe) of the Subject HFCs: 76.6 MTEVe		
Total Number of Late Advance Notification Reports submitted prior to importation: 5 Late Advance Notification Reports See Section 1.c for details			Total Number of Late Advance Notification Reports submitted on or after importation: 6 Late Advance Notification Reports See Section 1.c for details		
1.b – Shipment Details					
Customs Entry Number	Port of Entry Code	Arrival Date	Declared Value of Goods	Quantity of bulk HFC-134a, kg	Container Type
AEK-0961593-9	4197	3/17/2022	\$3.00	1.0	1 - sample container
AEK-1442257-8	4197	6/17/2022	\$6.00	4.0	2 - sample containers
336-2461267-3	901	7/21/2022	\$11.61	3.6	3 - sample containers
AEK-1792115-4	4197	8/17/2022	\$9.00	3.0	3 - sample containers
336-2466979-8	901	8/31/2022	\$16.26	10.8	3 - sample containers
336-2469540-5	901	9/19/2022	\$11.61	6.0	1 - sample container
336-2471988-2	901	10/04/2022	\$10.99	11.7	1 - sample container
336-2473745-4	901	10/18/2022	\$10.99	4.5	1 - sample container
336-3671139-8	901	12/21/2022	\$10.99	4.5	1 - sample container
336-3800280-4	3401	6/5/2023	\$0.74	0.9	1 - sample container
336-5045960-1	3401	1/17/2024	\$0.75	3.6	1 - sample container

1.c – Shipment Reporting Summary				
Customs Entry Number	Arrival Date	Advance Notification Submittal Date	Advance Notification Due Date	Advance Notification Number of Days Late
AEK-0961593-9	3/17/2022	3/18/2022	3/3/2022	15*
AEK-1442257-8	6/17/2022	6/17/2022	6/3/2022	14*
336-2461267-3	7/21/2022	7/20/2022	7/7/2022	13
AEK-1792115-4	8/17/2022	8/24/2022	8/3/2022	21*
336-2466979-8	8/31/2022	8/31/2022	8/17/2022	14*
336-2469540-5	9/19/2022	9/17/2022	9/5/2022	12
336-2471988-2	10/04/2022	10/04/2022	9/20/2022	14*
336-2473745-4	10/18/2022	10/18/2022	10/4/2022	14*
336-3671139-8	12/21/2022	12/20/2022	12/7/2022	13
336-3800280-4	6/5/2023	6/2/2023	5/22/2023	11
336-5045960-1	1/17/2024	1/15/2024	1/12/2024	3

*Advance Notifications submitted on or after the date of arrival of the shipment are considered a failure to provide any advance reporting rather than a late advance report.

Table 2 – Description of Alleged Violations
The EPA alleges that: 1) Based on the facts in Table 1, the Subject HFCs are bulk regulated substances that were imported without the importer expending consumption or application specific allowances in a quantity equal to the exchange-value weighted equivalent of the regulated substances imported, in violation of the HFC Allocation regulations at 40 C.F.R. § 84.5(b) and 40 C.F.R. § 84.5(b) (2022); 2) The importer failed to submit advance notification reports for the HFCs no later than 14 days prior to importation, in violation of 40 C.F.R. § 84.31(c)(7) (2022), or no later than 5 days prior to importation, in violation of 40 C.F.R. § 84.31(c)(7), for the entries listed in Table 1.

Table 3 – Civil Penalty
Complainant and Respondent agree upon the following civil penalty for settlement purposes: \$17,370, where: HFC Allocation Regulation Violations Calculation: Monetary Value of Goods * Percentage Multiplier = Penalty \$1,233 total value of HFC-134a * 30% for HFC exchange value (EV) of 1430 = \$370 Reporting Violations Calculation: Number of Violations * Violation Type Penalty Amount = Penalty 5 Counts Late advance reporting * \$1,000 = \$5,000 6 Counts Failure to provide any advance reporting * \$2,000 = \$12,000

Violation Type	Total Penalty Amount
Late advance reporting (40 C.F.R. § 84.31(c)(7))	\$1,000
Failure to provide any advance reporting (40 C.F.R. § 84.31(c)(7))	\$2,000
Late quarterly reports (40 C.F.R. § 84.31(c)(1))	\$2,500
Incomplete or inaccurate quarterly reporting (40 C.F.R. § 84.31(c)(1))	\$3,000
Failure to submit quarterly reports (40 C.F.R. § 84.31(c)(1))	\$3,500
Late annual reports (40 C.F.R. § 84.33(a); 40 C.F.R. § 84.60(a))	\$10,000
Incomplete or inaccurate annual reporting (40 C.F.R. § 84.33(a); 40 C.F.R. § 84.60(a))	\$10,000
Failure to submit annual reports (40 C.F.R. § 84.33(a); 40 C.F.R. § 84.60(a))	\$15,000
Failure to maintain records (40 C.F.R. § 98.3(g))	\$5,000
Late annual GHG reports (40 C.F.R. § 98.3(b))	\$10,000
Incomplete or inaccurate annual GHG reporting (40 C.F.R. § 98.3(b); 40 C.F.R. § 98.3(h))	\$10,000
Failure to submit annual GHG reports (40 C.F.R. § 98.3(b))	\$15,000

HFC EV⁵	Percentage Multiplier
< 1,300	20%
≥ 1,300 ≤ 5,000	30%
> 5,000 ≤ 10,000	40%
>10,000 ≤ 15,000	50%

TT Product GWP	Percentage Multiplier
< 1,300	20%
≥ 1,300 ≤ 5,000	30%
> 5,000 ≤ 10,000	40%
>10,000 ≤ 15,000	50%

ODS	Percentage Multiplier
Any ODS listed as a class I or class II controlled substance in 40 C.F.R. Part 82, whether on its own or in a blend	40%

HFC	EV
HFC-152	53
HFC-41	92
HFC-152a	124
HFC-143	353
HFC-32	675
HFC-245ca	693
HFC-365mfc	794
HFC-245fa	1,030
HFC-134	1,100
HFC-236cb	1,340
HFC-236ea	1,370
HFC-134a	1,430
HFC-43-10mee	1,640
HFC-227ea	3,220
HFC-125	3,500
HFC-143a	4,470
HFC-236fa	9,810
HFC-23	14,800

⁵ EVs are found in Appendix A of 40 C.F.R. Part 84.

Table 4 – Corrective Action

Respondent certifies that it:

- ☒ has completed permanent destruction of the Subject HFCs that Respondent imported on or about
[On September 9, 2025, 61.2 kilograms (135 pounds) of R-134a was destroyed on _____
behalf of Trane U.S. Inc by A-gas. See Attachment 2 for the Certificate of Destruction.
_____] , using
one of the technologies listed at 40 C.F.R. § 84.29.
- ☒ will submit to the EPA at R8airreportenforcement@epa.gov a copy of the destruction verification required at 40 CFR § 84.31(e)(4), within ninety (90) days of the Effective Date of the ESA. **See Enclosure 2 for the Certificate of Destruction.**
- ☐ has exported the Subject HFCs to [name: _____] at
[address (including country) of the recipient of the exports:

_____], a
country other than Canada or Mexico (unless the point of entry to the U.S. for the Subject HFCs was through Canada or Mexico), and has paid
\$[_____] to perform the action to export the Subject HFCs.
- ☐ will submit to the EPA at R8airreportenforcement@epa.gov, within thirty (30) days of the Effective Date of the ESA a record documenting such payment for export of the Subject HFCs.
- ☒ has completed and submitted any reports to R8airreportenforcement@epa.gov and HFCAallocation@epa.gov it failed to submit, as applicable.

Respondent must check the boxes, fill in all relevant blanks, and return any enclosures, as applicable, and this Attachment 1 with the signed Agreement.