



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

AUG 21 2007

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Gerret M. Peters, Jr.
President
Pathway Polymers
2003 Amnicola Highway
Chattanooga, Tennessee 37406

SUBJ: Expedited Settlement Agreement
Pathway Polymers
Docket No. CAA-04-2007-8020(b)

Dear Mr. Peters:

Enclosed please find an executed copy of the Expedited Settlement Agreement (ESA) that resolves the Clean Air Act (CAA) matter (Docket No. CAA-04-2007-8020(b)) involving Pathway Polymers. The ESA was filed with the Regional Hearing Clerk, as required by 40 C.F.R. Part 22 and became effective on today's date. Penalty payment of \$2,370 has been received, and the United States Environmental Protection Agency, Region 4, Emergency Planning and Community Right-to-Know Act Enforcement Section, considers this matter closed.

Also enclosed, please find a copy of the "Notice of Securities and Exchange Commission Registrants' Duty to Disclose Environmental Legal Proceedings." This document puts you on notice of your potential duty to disclose to the Security and Exchange Commission (SEC) any environmental enforcement actions taken by the EPA. If you have any questions with regards to the SEC's environmental disclosure requirements, you may refer to the contact phone number at the bottom of the SEC Notice.

If you have any questions, please call Victor Weeks at (404) 562-9189.

Sincerely,

A handwritten signature in black ink that reads "Caron B. Falconer".

Caron B. Falconer
Chief, EPCRA Enforcement Section

Enclosures

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4**

**EXPEDITED SETTLEMENT
AGREEMENT**

DOCKET NO: CAA-04-2007-8020(b)

This ESA is issued to:

**Pathway Polymers
2003 Amnicola Highway
Chattanooga TN 37406**

for violating 40 CFR § 68.48, 40 CFR § 68.50, 40 CFR § 68.56, 40 CFR § 68.58, 40 CFR § 68.190(b)(1) and Section 112(r)(7) of the Clean Air Act.

This Expedited Settlement Agreement (ESA) is being entered into by the United States Environmental Protection Agency (EPA), Region 4, the Director of the Air, Pesticides and Toxics Management Division (Complainant), and by Pathway Polymers (Respondent), pursuant to Section 113(a)(3) and (d) of the Clean Air Act (the "Act"), 42 U.S.C. § 7413(a)(3) and (d), and pursuant to 40 CFR § 22.13(b).

ALLEGED VIOLATION

Based on a compliance monitoring inspection conducted at the Respondent's stationary source on March 16, 2006, EPA alleges that the Respondent violated the Act's Chemical Accident Prevention Program when Respondent did not provide evidence that it had:

Compiled and maintained the following up-to-date safety information related to the regulated substances, processes and equipment found at 40 CFR § 68.48(a):
(2) maximum intended inventory of equipment in which the regulated substance is processed or stored; (3) safe upper and lower temperatures, pressures, flows and compositions; (4) equipment specifications; and (5) codes and standards used to design, build and operate the process;

Conducted and documented a review of the hazards associated with the regulated substances, processes, and procedures as required by 40 CFR § 68.50(a);

Prepared and implemented procedures to maintain the on-going mechanical integrity of the process equipment as required by 40 CFR § 68.56(a);

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HEARING CLERK

At least every three years, evaluated its compliance with the prevention program requirements and certified that its procedures and practices are adequate and are being followed as required by 40 CFR § 68.58(a); and

Reviewed, updated and submitted its Risk Management Plan within five years of the previous submittal as required by 40 CFR § 68.190(b)(1).

SETTLEMENT

In consideration of Respondent's size, its full compliance history, its good faith effort to comply, and other factors as justice may require, and upon consideration of the entire record the parties enter into the ESA in order to settle the violations cited above, for the total penalty amount of **\$2,370**.

This settlement is subject to the following terms and conditions: the Respondent by signing below admits the jurisdictional allegations contained herein, neither admits nor denies the specific factual allegations contained herein, and consents to the assessment of the penalty as stated above; Respondent waives its rights to a hearing afforded by Section 113(d)(2)(A) of the Act, 42 U.S.C § 7413(d)(2)(A), and to contest the allegations contained in this ESA; and each party to this action shall bear its own costs and fees, if any.

Respondent certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that the Respondent has corrected the alleged violations listed in this ESA. Respondent shall pay a civil penalty of **\$2,370**. **Please note that payment should not be made until after Respondent receives a copy of the fully executed ESA.** Within fifteen (15) days receiving a copy of the fully executed ESA, the Respondent shall send a cashier's check or certified check (payable to the "Treasurer, United States of America") in the amount of **\$2,370**, in payment of the full penalty amount to one of the following addresses:

For payment sent via U.S. Postal Service
U.S. Environmental Protection Agency
Box 371099M
Pittsburgh, PA 15251; or

For payment sent via overnight mail service (FedEx, UPS)
Mellon Client Service Center
ATTN: Shift Supervisor, Room 0690
Lockbox 371099M
500 Ross Street
Pittsburgh, Pennsylvania 15262-0001
(Contact Phone Number is 412-234-4381)

The Respondent's name and the Docket Number of this ESA must be included on the check. The Docket Number is located at the top left corner of the first page of this ESA.

At the time of payment, Respondent shall send a separate copy of the check, and a written statement that payment has been made in accordance with this ESA to:

Saundi Wilson
U. S. EPA Region 4
Office of Environmental Accountability
61 Forsyth Street
Atlanta, Georgia 30303, and

Victor L. Weeks
U. S. EPA Region 4
EPCRA Enforcement Section
61 Forsyth Street
Atlanta, Georgia 30303

Upon Respondent's payment of the penalty, EPA will take no further civil action against Respondent for the alleged violations of the Act referenced in this ESA. EPA does not waive any other enforcement action for any other violations of the Act or any other statute.

The following individual represents EPA in this matter and is authorized to receive service for EPA in this proceeding:

Caron B. Falconer
U. S. EPA - Region 4
61 Forsyth St., S. W.
Atlanta, Georgia 30303
(404) 562-8451

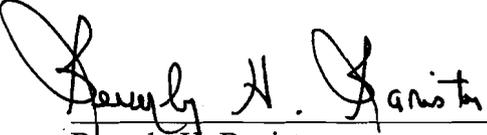
This ESA is binding on the parties signing below.

This ESA is effective upon filing with the Regional Hearing Clerk.

FOR RESPONDENT:


Date: 7/7/07
Name (print): Gervet M. Peters JR.
Title (print): President
Pathway Polymers

FOR COMPLAINANT:


Date: 6/27/07
Beverly H. Banister
Director
Air, Pesticides & Toxics
Management Division
Region 4

I hereby ratify the ESA and incorporate it herein by reference. It is so ORDERED.


Date: 8/21/07
Susan B. Schub
Regional Judicial Officer

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing Expedited Settlement Agreement, in the matter of Pathway Polymers, CAA-04-2007-8020(b), on the parties listed below in the manner indicated:

Caron B. Falconer
U. S. EPA - Region 4
Air, Pesticides and Toxics
Management Division
61 Forsyth Street
Atlanta, GA 30303

(Via EPA's internal mail)

Elizabeth O'Sullivan
U. S. EPA - Region 4
Office of Environmental Accountability
61 Forsyth Street
Atlanta, GA 30303

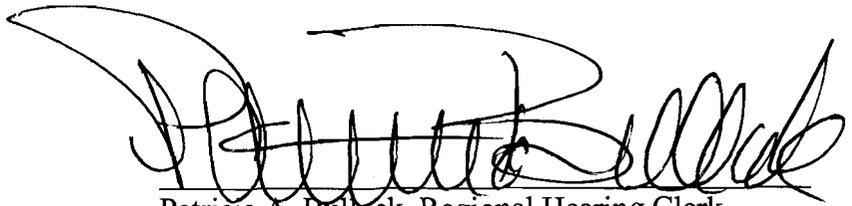
(Via EPA's internal mail)

Mr. Gerret M. Peters, Jr.
President
Pathway Polymers
2003 Amnicola Highway
Chattanooga, TN 37406

(Via Certified Mail -
Return Receipt Requested)

Date:

8-21-07



Patricia A. Bullock, Regional Hearing Clerk
United States Environmental Protection Agency
Region 4
Sam Nunn Atlanta Federal Center
61 Forsyth Street
Atlanta, Georgia 30303
404-562-9511

EPA ACCOUNTS RECEIVABLE CONTROL NUMBER FORM

TO BE COMPLETED BY THE ORIGINATING OFFICE:

(Attach a copy of the final order and transmittal letter to Defendant/Respondent)

This form was originated by: Saund Wilson on 8/16/07
(Name) (Date)

in the OEA at (404) 562-9504
(Office) (Telephone Number)

- | | |
|--|--|
| <input type="checkbox"/> Non-SF Judicial Order/Consent Decree
USAO COLLECTS | <input checked="" type="checkbox"/> Administrative Order/Consent Agreement
FMO COLLECTS PAYMENT |
| <input type="checkbox"/> SF Judicial Order/Consent Decree
DOJ COLLECTS | <input type="checkbox"/> Oversight Billing - Cost Package required:
Sent with bill |
| <input type="checkbox"/> Other Receivable | <input type="checkbox"/> Not sent with bill |
| <input type="checkbox"/> This is an original debt | <input type="checkbox"/> Oversight Billing - Cost Package not required |
| | <input type="checkbox"/> This is a modification |

PAYEE: Pathway Polymers
(Name of person and/or Company/Municipality making the payment)

The Total Dollar Amount of the Receivable: \$ 2370
(If installments, attach schedule of amounts and respective due dates. See Other side of this form.)

The Case Docket Number: CAA 04 2007 8020(b)

The Site Specific Superfund Account Number: _____

The Designated Regional/Headquarters Program Office: _____

TO BE COMPLETED BY LOCAL FINANCIAL MANAGEMENT OFFICE:

The IFMS Accounts Receivable Control Number is: _____ Date _____

If you have any questions, please call: _____ of the Financial Management Section at: _____

DISTRIBUTION:

- A. **JUDICIAL ORDERS:** Copies of this form with an attached copy of the front page of the **FINAL JUDICIAL ORDER** should be mailed to:
- | | |
|--|------------------------------|
| 1. Debt Tracking Officer
Environmental Enforcement Section
Department of Justice RM 1647
P.O. Box 7611, Benjamin Franklin Station
Washington, D.C. 20044 | 2. Originating Office (EAD) |
| | 3. Designated Program Office |
- B. **ADMINISTRATIVE ORDERS:** Copies of this form with an attached copy of the front page of the Administrative Order should be to:
- | | |
|---------------------------|------------------------------|
| 1. Originating Office | 3. Designated Program Office |
| 2. Regional Hearing Clerk | 4. Regional Counsel (EAD) |