



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 1
5 Post Office Square, Suite 100
Boston, Massachusetts 02109-3912

FILED

10-22-2025

0900

**U.S. EPA REGION 1
HEARING CLERK**

EXPEDITED SETTLEMENT AGREEMENT

DOCKET NO: CAA-01-2026-0016

This ESA is issued to: Pioneer Plastics Corporation, 1 Pionite Road, Auburn Maine, for violating 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 1, by its duly delegated official, James Chow, Director, Enforcement and Compliance and Assurance Division, and by Respondent, Pioneer Plastics Corp. (“Respondent”), pursuant to Section 113(a)(3) and (d) of the Clean Air Act (“Act”), 42 U.S.C. §§ 7413(a)(3) and (d), and 40 C.F.R. § 22.13(b). EPA and the U.S. Department of Justice have jointly determined that this action is an appropriate administrative penalty action under Section 113(d)(1) of the Act, 42 U.S.C. § 7413(d)(1).

ALLEGED VIOLATIONS

On November 6, 2024, authorized EPA representatives conducted a compliance inspection of Respondent’s facility located at 1 Pionite Road, Auburn, Maine (“Facility”) to determine its compliance with the Risk Management Plan (“RMP”) regulations promulgated at 40 C.F.R. Part 68 under Section 112(r) of the Act. EPA found that Respondent had violated regulations implementing Section 112(r) of the Act as noted on the attached “Risk Management Program Inspection Findings, Alleged Violations, and Proposed Penalty Form” (“Form”), which is hereby incorporated by reference.

SETTLEMENT

In consideration of Respondent’s size of business, 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, described in the attached Form, for the total penalty amount of **\$10,200**.

This settlement is subject to the following terms and conditions:

Respondent, by signing below waives any objections that it may have regarding jurisdiction, neither admits nor denies the specific factual allegations contained in herein and in the Form, 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 appeal this ESA. 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 this ESA. Each

party to this action shall bear its own costs and fees, if any. Respondent also certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that Respondent has corrected the violations listed in the attached Form.

Respondent agrees to pay a civil penalty in the amount of **\$10,200** ("Assessed Penalty") within 30 days of 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>.

When making a payment, Respondent shall:

- a. Identify every payment with Respondent's name and the docket number of this Agreement (CAA-01-2026-0016).
- b. Concurrently with any payment or within 24 hours of any payment, Respondent shall serve proof of such payment to the following person(s):

Wanda I. Santiago, Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 1
R1_Hearing_Clerk_Filings@epa.gov and Santiago.Wanda@epa.gov

Douglas Koopman, EPA Inspector
U.S. Environmental Protection Agency, Region 1
koopman.douglas@epa.gov

and

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

"Proof of payment" means, as applicable, 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.

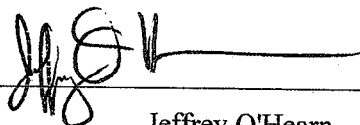
Upon Respondent's submission of the signed original ESA, EPA will take no further civil penalty action against Respondent for the alleged violations of the Act alleged above and in the Form. This ESA shall not be construed as a covenant not to sue, a release, waiver, or limitation of any rights, remedies, powers, or authorities, civil or criminal that EPA has under the Act or any other statutory, regulatory, or common law enforcement authority of the United States, except as stated above. EPA does not waive any other enforcement action for any other violations of the Clean Air Act or any other statute.

If the signed ESA is not returned to the EPA Region 1 office at the address above by Respondent within 30 days of the date of receipt, the proposed ESA is withdrawn, without prejudice to EPA's ability to file an enforcement action for the cited violations. If you do not sign the return the ESA and pay the penalty on time, EPA may pursue more formal enforcement measures, including seeking civil penalties up to \$59,114 per day of each violation. This ESA is binding on the parties signing below.

Pursuant to 40 C.F.R. § 22.13(b), a final order is effective upon filing.

Complainant and Respondent, by entering into this ESA, each give their respective consent to accept digital signatures hereupon. Respondent further consents to accept electronic service of the fully executed ESA, by electronic mail, to the email address inserted under Respondent's signature block below. Respondent understands that this e-mail address may be made public when the ESA and Certificate of Service are filed and uploaded to a searchable database. Complainant has provided Respondent with a copy of the EPA Region 1 Regional Judicial Officer's Authorization of EPA Region 1 Part 22 Electronic Filing System for Electronic Filing and Service of Documents Standing Order, dated June 19, 2020. Electronic signatures shall comply with and be maintained in accordance with that Order.

FOR RESPONDENT:


Date: 10/14/2025
Name (print): Jeffrey O'Hearn
Title (print): Sr. Director of Environmental and Safety
Email address (print): jeffrey_ohearn@panolam.com

FOR COMPLAINANT:

JAMES CHOW Digitally signed by JAMES CHOW
Date: 2025.10.17 15:38:02 -04'00'
Date: _____
James Chow, Director
Enforcement and Compliance Assurance Division
U.S. EPA Region 1

Pursuant to 40 C.F.R. §§ 22.18(b) and (c) of the EPA's Consolidated Rules of Practice, the attached Expedited Settlement Agreement resolving this matter is incorporated by reference and is hereby ratified. The Respondent is ORDERED to comply with all terms of the Expedited Settlement Agreement, which shall become effective on the date it is filed with the Regional Hearing Clerk.

MICHAEL KNAPP

Digitally signed by MICHAEL
KNAPP

Date: 2025.10.22 15:30:45 -04'00'

Date: _____

Michael J. Knapp
Regional Judicial Officer
U.S. EPA Region 1



U.S. ENVIRONMENTAL PROTECTION AGENCY

RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY FORM

REASON FOR INSPECTION: This inspection was for the purpose of determining compliance with the accidental release prevention requirements of Section 112(r)(7) of the Clean Air Act (Act), 42 U.S.C. sec. 7412(r)(7), and the regulations set forth at 40 C.F.R. Part 68.

Facility Name: Pioneer Plastics Corporation
Facility Address: 1 Pionite Road, Auburn ME, 04211
Responsible Official: Jeffrey O'Hearn, Director of EHS
EPA Facility ID#: 1000 00085203
Inspector Name(s): Leonard B. Wallace IV, EPA Region 1; Douglas Koopman, EPA Region 1; Aaron Gilbert, EPA Region 1

INSPECTION FINDINGS

IS FACILITY SUBJECT TO RMP REGULATION (40 CFR Part 68)? YES
DID FACILITY SUBMIT AN RMP AS PROVIDED IN 40 C.F.R. §§ 68.150 TO 68.185 AND UPDATE THE RMP AS PROVIDED IN §§ 68.190 TO 69.195? YES
DATE RMP INITIALLY FILED WITH EPA: 6/21/1999 DATE OF RMP UPDATES: 6/21/04, 6/13/09, 5/30/14, 5/3/19, 5/3/24

1) PROCESS/NAICS CODE: 326130 PROGRAM LEVEL: 1 2 3
REGULATED SUBSTANCE: Formaldehyde solution 37% MAX. QUANTITY IN PROCESS: 47,047 pounds per EPCRA Tier II, but RMP lists 190,000 lbs.

DID FACILITY CORRECTLY ASSIGN PROGRAM LEVELS TO PROCESSES? YES
ATTACHED CHECKLIST(S): PROGRAM LEVEL 1 PROCESS CHECKLIST PROGRAM LEVEL 2 PROCESS CHECKLIST PROGRAM LEVEL 3 PROCESS CHECKLIST
OTHER:
ATTACHMENTS:

**U. S. ENVIRONMENTAL PROTECTION AGENCY
REGION I
5 POST OFFICE SQUARE
BOSTON, MA 02109-3912**

Process Checklist (Findings) and Alleged Violations and Proposed Penalty Form:

1. Program Level 3 Alleged Violations and Unadjusted Penalties

Section C – Prevention Program – Process safety information [68.65]

<p>Has the owner or operator documented either that equipment complies with recognized and generally accepted good engineering practices [68.65(d)(2)] or, for existing equipment designed and constructed in accordance with codes, standards, or practices that are no longer in general use, is designed, maintained, inspected, tested, and operating in a safe manner? [68.65(d)(3)]</p> <p>At the time of the inspection the formaldehyde piping near the resin reactor was not properly labeled to show content and direction of flow. <i>See, e.g., ASME A13.1 (2015) §§ 3.1-3.5.</i></p>	\$1,500
<p>Has the owner or operator documented either that equipment complies with recognized and generally accepted good engineering practices [68.65(d)(2)] or, for existing equipment designed and constructed in accordance with codes, standards, or practices that are no longer in general use, is designed, maintained, inspected, tested, and operating in a safe manner? [68.65(d)(3)]</p> <p>At the time of inspection, there was formaldehyde piping on the roof was not properly labeled to show content and direction of flow. <i>See, e.g., ASME A13.1 (2015) §§ 3.1-3.5.</i></p>	\$1,500
<p>Has the owner or operator documented either that equipment complies with recognized and generally accepted good engineering practices [68.65(d)(2)] or, for existing equipment designed and constructed in accordance with codes, standards, or practices that are no longer in general use, is designed, maintained, inspected, tested, and operating in a safe manner? [68.65(d)(3)]</p> <p>At the time of the inspection the hoses at the chemical unloading pad and resin reactor area were not affixed with unique, individual identifiers to ensure proper maintenance and documentation of inspection results. <i>See, e.g., NAHAD Industrial Hose Assembly Specification Guidelines (2005), Section 7.2; and NAHAD Handbook for the Design and Specification of Hose Assemblies (2015), Sections 5.78 and 12.5.</i></p>	\$1,500
<p>Has the owner or operator documented either that equipment complies with recognized and generally accepted good engineering practices [68.65(d)(2)] or, for existing equipment designed and constructed in accordance with codes, standards, or practices that are no longer in general use, is designed, maintained, inspected, tested, and operating in a safe manner? [68.65(d)(3)]</p> <p>At the time of the inspection alarms near the formaldehyde unloading pad were not labeled <i>See, e.g., OSHA's Standard for Employee Alarm Systems at 29 C.F.R § 1910.165(b)(3); and NFPA 72 National Fire Alarm and Signaling Code (2022), Sections 17.4.7.4 and 17.2.</i> Also, the gas detector in the resin reactor area was not labeled as to what chemical it was detecting for.</p>	\$1,500

<p>Has the owner or operator documented either that equipment complies with recognized and generally accepted good engineering practices [68.65(d)(2)] or, for existing equipment designed and constructed in accordance with codes, standards, or practices that are no longer in general use, is designed, maintained, inspected, tested, and operating in a safe manner? [68.65(d)(3)]</p> <p>At the time of inspection, the inspectors noted a lack of NFPA signs near the formaldehyde tank farm or at the formaldehyde unloading pad. <i>See, e.g.,</i> NFPA 704-2017 § 4.3; NFPA 704-2017 Chapter 9; NFPA 1-2021 § 60.5.1.8.2.1; NFPA 400-2017, § 6.1.8.2.1.</p>	<p>\$1,500</p>
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Section C – Prevention Program – Mechanical integrity [68.73]

<p>Has the owner or operator corrected deficiencies in equipment that were outside acceptable limits defined by the process safety information before further use or in a safe and timely manner, when necessary, means were taken to assure safe operation? [68.73(e)]</p> <p>At the time of the inspection there was formaldehyde piping <u>on the roof</u> with damaged insulation <i>See, e.g.,</i> OSHA’s Flammable Liquid Standard at 29 C.F.R. §1910.106(c)(5): Protection against corrosion: All piping for flammable liquids both above-ground and underground, where subject to external corrosion, shall be painted or otherwise protected; API Recommended Practice 574, <i>Inspection Practices for Piping System Components</i>, Section 10.1.1.5 (in 1998 ver.) and Section 10.1.6 (2024 and 2025 versions) (explaining that defects in protective coatings and insulation will permit moisture to come into contact with the piping and that when such defects are found, either enough insulation should be removed or the affected area should be radiographed to determine the extent and severity of corrosion).</p>	<p>\$900</p>
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<p>Has the owner or operator corrected deficiencies in equipment that were outside acceptable limits defined by the process safety information before further use or in a safe and timely manner, when necessary means were taken to assure safe operation? [68.73(e)]</p> <p>At the time of the inspection, insulation on formaldehyde piping <u>in the tank farm</u> had been cut to perform mechanical integrity testing but had subsequently not been repaired. <i>See, e.g.,</i> 29 C.F.R. §1910.106(c)(5): Protection against corrosion: All piping for flammable liquids both above-ground and underground, where subject to external corrosion, shall be painted or otherwise protected; API Recommended Practice 574, <i>Inspection Practices for Piping System Components</i>, Section 10.1.1.5 (in 1998 ver.) and Section 10.1.6 (2024 and 2025 versions) (explaining that defects in protective coatings and insulation will permit moisture to come into contact with the piping and that when such defects are found, either enough insulation should be removed or the affected area should be radiographed to determine the extent and severity of corrosion).</p>	<p>\$900</p>
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<p>Has the owner or operator corrected deficiencies in equipment that were outside acceptable limits defined by the process safety information before further use or in a safe and timely manner, when necessary means were taken to assure safe operation? [68.73(e)]</p> <p>At the time of the inspection the hoses at the unloading pad were not properly stored. The hoses were in direct sunlight, on the ground, not stored straight and were not capped <i>See, e.g.,</i> NAHAD <i>Handbook for the Design and Specification of Hose Assemblies</i> (2015), Section 10.5.</p>	<p>\$900</p>
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Total unadjusted penalty: \$10,200.

Size-Threshold Quantity Multiplier

The Size-Threshold Quantity multiplier is a factor that considers the size of the facility and the amount of regulated chemicals at the facility.

Expedited Settlement Penalty Matrix: Private Industries

Largest Multiple of Threshold Quantity of any Regulated Chemical(s) on Site

# of Employees	1 – 5*	> 5 – 10*	> 10*
0 – 9	0.4	0.6	0.8
10 – 100	0.6	0.8	1.0
> 100	1.0	1.0	1.0

At the time of inspection, the Facility had approximately 300 employees. The 2024 RMP lists 190,000 lbs. of formaldehyde at the facility (more than twice the threshold), and the EPCRA Tier II lists 47,047 lbs.

Size-Threshold Quantity multiplier from Expedited Settlement Penalty matrix: 1.0

3. Proposed Penalty

The Proposed Penalty is the amount of the non-negotiable penalty that is calculated by multiplying the Total Unadjusted Penalty and the Size-Threshold Quantity multiplier.

$$\begin{aligned} \text{Proposed Penalty} &= \$10,200 \text{ (Unadjusted Penalty)} \\ &\times 1.0 \text{ (Size-Threshold Quantity Multiplier)} \\ &= \underline{\underline{\$10,200}} \end{aligned}$$