



**ENVIRONMENTAL APPEALS BOARD
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C.**

	)	
	)	
In re Chase Cooling Systems LLC	)	Docket No. CAA-2026-8744
	)	
	)	
	)	

FINAL ORDER

Decided September 1, 2026

Per Curiam:

Pursuant to 40 C.F.R. § 22.18(b)-(c) of EPA's Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits, 40 C.F.R. Part 22, the attached Expedited Settlement Agreement resolving this matter is incorporated by reference into this Final Order and is hereby ratified.

The Respondent is ORDERED to comply with all terms of the Expedited Settlement Agreement, effective immediately.

So ordered.

EXPEDITED SETTLEMENT AGREEMENT
ENVIRONMENTAL APPEALS BOARD
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C

In re:	)	
	)	
	)	Docket No. CAA-2026-8744
Chase Cooling Systems LLC	)	
	)	
	)	
	)	

EXPEDITED SETTLEMENT AGREEMENT

A. JURISDICTION

1. This is an expedited administrative penalty assessment proceeding brought for an alleged violation of the American Innovation and Manufacturing Act of 2020 (“AIM Act”), 42 U.S.C. § 7675, which restricts the import of hydrofluorocarbons (“HFCs”), 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 (“ESA” or “Agreement”) is entered into under Section 113(d) of the CAA, 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 EPA’s behalf, Meetu Kaul, Acting Director, Air Enforcement Division, is delegated the authority to settle civil administrative penalty proceedings under Section 113(d) of the CAA.
4. Respondent is Chase Cooling Systems LLC (“Chase Cooling”) and is a “person” as defined below and identified further in Table 1 of the ESA Attachment 1.
5. Complainant and Respondent (together, the “Parties”), having agreed that settlement of this action is in their mutual interest, consent to the issuance of the attached 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. Furthermore, Complainant has determined, and Respondent does not dispute, that settlement of this action is in the public interest.

6. The Environmental Appeals Board is authorized to ratify this Agreement, which memorializes a settlement between Complainant and Respondent. 40 C.F.R. §§ 22.4(a)(1) – 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).

B. GOVERNING LAW

8. This proceeding arises under the AIM Act, 42 U.S.C. § 7675, and Section 113 of the CAA, 42 U.S.C. § 7413, 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 utilizing the federal enforcement authorities established by Section 113 of the CAA, 42 U.S.C. § 7675(k)(1)(C). Section 113 of the CAA authorizes the Administrator of the EPA to assess a civil administrative penalty of not more than \$25,000 per day of violation. 42 U.S.C. § 7413(a)(3)(A), (d)(1). Pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990, Pub. L. 101-410, as amended, and its implementing regulation, the Civil Monetary Penalty Inflation Adjustment Rule, the statutory maximum civil administrative penalty has subsequently been raised to \$59,114 per day of violation. 40 C.F.R. § 19.4, Table 1.
10. The EPA regulations at 40 C.F.R. Part 84, Subpart B, implement the AIM Act requirement under 42 U.S.C. § 7675(i) to accelerate the transition of technologies in products and systems that utilize HFCs to substances with lower global warming potentials (“GWP”). These regulations are commonly referred to as the “Technology Transitions Regulations.”
11. The Technology Transitions Regulations prohibit the manufacture or import of products in certain sectors or subsectors using regulated substances unless they meet certain GWP limits. 40 C.F.R. § 84.54(a). One such subsector covered under the regulations is chillers, as a stand-alone product. *Id.* at 84.54(a)(10)
12. Effective January 1, 2026, no person may manufacture or import stand-alone chillers for industrial process refrigeration where the temperature of the fluid exiting the chiller is greater than –22 °F (–30 °C) using a regulated substance, or a blend containing a regulated substance, with a global warming potential of 700 or greater. 40 C.F.R. § 84.54(a)(10)(iii).
13. Every product imported using a regulated substance in contravention of 40 C.F.R. § 84.54(a) constitutes a separate violation. 40 C.F.R. § 84.54(g).
14. The definitions, listed at 40 C.F.R., Part 84, Subpart B, include:
 - a. “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. § 84.52 (referring back to the definition in 40 C.F.R. § 84.3).

- b. “Importer” is defined as “any person who imports any product or specified component using or intended for use with 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) The consignee; (2) The importer of record; (3) The actual owner; or (4) The transferee, if the right to withdraw merchandise from a bonded warehouse has been transferred.” 40 C.F.R. § 84.52.
- c. “Product” is defined as “an item or category of items manufactured from raw or recycled materials which performs a function or task and is functional upon completion of manufacturing. The term includes, but is not limited to: appliances, foams, fully formulated polyols, self-contained fire suppression devices, aerosols, pressurized dispensers, and wipes.” 40 C.F.R. § 84.52.
- d. “Sector” is defined as “a broad category of applications including but not limited to: refrigeration, air conditioning and heat pumps; foams; aerosols; chemical manufacturing; cleaning solvents; fire suppression and explosion protection; and semiconductor manufacturing.” 40 C.F.R. § 84.52.
- e. “Subsector” is defined as “processes, classes of applications, or specific uses that are related to one another within a single sector or subsector.” 40 C.F.R. § 84.52.

For the terms not defined in this subpart but that are defined in § 84.3, the definitions in § 84.3 shall apply. 40 C.F.R. § 84.52.

- 15. 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.
- 16. The GWP of a regulated substance is the exchange value for the regulated substance listed in subsection (c) of the AIM Act and in Appendix A to 40 C.F.R. Part 84. 40 C.F.R. § 84.64(a); *see also* 40 C.F.R. Part 84, Appendix A.
- 17. The exchange value of a blend is calculated by summing the exchange value of each constituent of the blend multiplied by the nominal mass fraction of the constituent within that blend. 40 C.F.R. § 84.64(b).

18. The substance at issue in this matter is R-410A, a blend of 50% HFC-32 and 50% HFC-125. The HFCs at issue in this matter are assigned the following GWP:

HFC	Chemical Formula	Global Warming Potential
HFC-32	CH ₂ F ₂	675.0
HFC-125	CHF ₂ CF ₃	3,500.0
R-410A	50% HFC-125, 50% HFC-32	2,087.5

40 C.F.R. Part 84, Appendix A.

C. ALLEGED VIOLATION OF LAW

19. The EPA alleges that, on or about March 27, 2026, Respondent imported a product into the United States, specifically a stand-alone chiller for industrial process refrigeration where the temperature of the fluid exiting the chiller is greater than –22 °F (–30 °C) using a regulated substance, or a blend containing a regulated substance, containing a blend of regulated substances with a GWP of 2,087.5 in violation of 40 C.F.R. § 84.54(a)(10). (*See* Table 1 of ESA Attachment 1 for detailed description of the alleged illegal product.

D. TERMS OF AGREEMENT

20. For the purpose of this proceeding, as required by 40 C.F.R. § 22.18(b)(2), Respondent:
- admits that the EPA has jurisdiction over the subject matter alleged in this Agreement;
 - admits the facts stipulated in Table 1 of ESA Attachment 1;
 - consents to the assessment of a civil penalty as stated in Table 3 of ESA Attachment 1 and below;
 - waives any right to contest the alleged violation(s) of law set forth in Section C of this Agreement; and
 - waives its right to appeal the Final Order accompanying this Agreement.
21. 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 expedited settlement agreement.

22. 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 Final 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 Final Order, or both, and to seek an additional penalty for noncompliance with the Agreement or Final Order and agrees that federal law shall govern in any such civil action.

E. TERMS OF PAYMENT

23. Respondent agrees to pay a civil penalty in the amount of \$7,421 ("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 Clerk of the Environmental Appeals Board ("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>.

24. When making a payment, Respondent shall:

- a. Identify every payment with Respondent's name and the docket number of this Agreement, CAA-2026-8744,
- b. Concurrently with any payment or within 24 hours of any payment, Respondent shall serve proof of such payment (electronic correspondence is preferred) to the following person(s):

Tommie Madison, Clerk of the Environmental Appeals Board
U.S. Environmental Protection Agency, Headquarters
1200 Pennsylvania Avenue, NW
Mail Code 1103M
Washington, DC 20460-0001
Clerk_EAB@epa.gov

Hallie Lipsey, Attorney Advisor
U.S. Environmental Protection Agency, Headquarters
2.2226 J, William Jefferson Clinton Building South
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460
Mail Code 2242A
lipsey.hallie@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, 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.

25. 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.

26. 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, pursuant to 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, pursuant to 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, pursuant to 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.

27. 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.

28. 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.

29. 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.

30. 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.

31. 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.
32. 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 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.
33. Each party shall bear its own attorney's fees, costs, and disbursements incurred in this proceeding.

F. EFFECT OF AGREEMENT AND ATTACHED FINAL ORDER

34. 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 violation(s) identified in Section C of this Agreement.
35. 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.
36. 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 Environmental Appeals Board.
37. 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 CAA, 42 U.S.C. § 7413(b)(2), as well as criminal sanctions as provided in Section 113(c) of the CAA, 42 U.S.C. § 7413(c). The EPA may use any information submitted under this Agreement in an administrative, civil judicial, or criminal action.
38. Nothing in this Agreement shall relieve Respondent of the duty to comply with all applicable provisions of the CAA 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.
39. 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.

40. 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.
41. Respondent and Complainant agree to the Environmental Appeals Board issuance of the attached Final Order ratifying the Agreement.

The foregoing Agreement *In the Matter of Chase Cooling Systems LLC*, Docket No. CAA-2026-8744 is Hereby Stipulated, Agreed, and Approved.

COMPLAINANT:

MEETU
KAUL

 Digitally signed by
MEETU KAUL
Date: 2026.08.26
16:27:25 -04'00'

Signature

Ms. Meetu Kaul, Director (Acting)
Air Enforcement Division
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency

The foregoing Agreement *In the Matter of Chase Cooling Systems LLC*, Docket No. CAA-2026-8744 is Hereby Stipulated, Agreed, and Approved.

FOR RESPONDENT:



Signature

8/26/2026

Date

Printed Name: James Miller

Title: President

Address: 370 Meadowlands Blvd, Washington, PA 15301

Federal Tax Identification Number: 46-3664023

EXPEDITED SETTLEMENT AGREEMENT ATTACHMENT 1

AMERICAN INNOVATION AND MANUFACTURING ACT OFFSITE COMPLIANCE MONITORING ACTIVITY OR INSPECTION FACTS, ALLEGED VIOLATIONS, PENALTY, AND CORRECTIVE ACTION FORM

Table 1 – Offsite Compliance Monitoring Activity or Inspection Stipulated Facts	
Offsite Compliance Monitoring Activity Date: April 7, 2026	Docket Number: CAA-2026-8744
Person/Importer Name (“Respondent”): Chase Cooling Systems LLC Importer Number: 46-366402300	Port of Entry: Norfolk, VA Entry Number: 88M-1144165-7
Respondent Address: 370 Meadowlands Blvd. Washington, PA 15301	Inspector Name: Jessica Cordasco Email Address: Cordasco.jessica@epa.gov
Value of Goods: \$24,738	Arrival Date: March 27, 2026 Date of Detention or Hold: March 27, 2026
Subject Regulated Substance within the Regulated Product(s) and Mass (in kg): R-410A, 16.8kg	Subject Regulated Product: One (1) stand-alone chiller for industrial process refrigeration where the temperature of the fluid exiting the chiller is greater than –22 °F (–30 °C) using a regulated substance, or a blend containing a regulated substance.

Table 2 – Description of Alleged Violation
The EPA alleges that: Based on the facts in Table 1, the Subject Regulated Products are products containing regulated substances above the appropriate GWP limit for the subsector of the product, and that those products were imported into the United States, in violation of the Technology Transition regulations at 40 C.F.R. § 84.54(a).

Table 3 – Civil Penalty ¹
Complainant and Respondent agree upon the following civil penalty for settlement purposes: \$7,421, where: Technology Transitions Calculation: Monetary Value of Goods * Percentage Multiplier = Penalty \$24,738 * 30% = \$7,421

¹ See Memorandum from Rosemarie A. Kelley, Dir., Office of Civil Enf., U.S. Env'tl. Prot. Agency, to Air Enf. Div., Office of Civil Enf., Regional Counsels, & Regional Enf. and Compliance Assurance Div. Dirs., *Expedited Settlement Agreement Pilot for the Hydrofluorocarbon Import and Ozone-Depleting Substances Import Enforcement Program* (Jan. 16, 2025), <https://www.epa.gov/system/files/documents/2025-01/esapilothydroimport-ozonedepleting.pdf>.

Table 3 – Civil Penalty ¹			
HFC EV ²	Percentage Multiplier	HFC	EV
< 1,300	20%	HFC-152	53
≥ 1,300 ≤ 5,000	30%	HFC-41	92
> 5,000 ≤ 10,000	40%	HFC-152a	124
>10,000 ≤ 15,000	50%	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
TT Product GWP ³	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%		

² EVs are found in Appendix A of 40 C.F.R. Part 84.

³ *Id.*

Table 4 – Corrective Action

Respondent certifies that it:



has exported the Subject Regulated Products One Stand-Alone Chiller (CWB140)
Ternium, Barreiro 2350, B1801AOF Canning, Provincia de Buenos Aires, Argentina, [name and 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 Regulated Products
was through Canada or Mexico), and has paid\$[Customer paid for export / See Note] to
perform the action to export the Subject Regulated Products .



will submit to the EPA at cordasco.jessica@epa.gov, within thirty (30) days of the
Filing Date of the ESA a record documenting such payment for export of the
Subject Regulated Products. (See Note)

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

NOTE:

- Per agreement, KN Booking Number Confirmation is attached for compliance with
the requirements set out in Table 4.

¹ EVs are found in Appendix A of 40 C.F.R. Part 84.

² *Id.*

CERTIFICATE OF SERVICE

I certify that copies of the foregoing *Expedited Settlement Agreement* and *Final Order* in the matter of Chase Cooling Systems LLC, Docket No. CAA-2026-8744, were sent to the following persons on September 1, 2026, in the manner indicated:

By E-mail:

Hallie Lipsey, Attorney Advisor
Air Enforcement Division
lipsey.hallie@epa.gov

James Miller, President
Chase Cooling Systems LLC
j.miller@chasechillers.com

Tommie Madison
Clerk of the Board