



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
1200 Sixth Avenue, Suite 155
Seattle, Washington 98101-3140

RECEIVED

18 NOV -6 PM 1:29

OFFICE OF COMPLIANCE AND ENFORCEMENT
REGION 10

EXPEDITED SETTLEMENT AGREEMENT

DOCKET NO: CAA-10-2019-0008
This ESA is issued to: Specialty Polymers, Inc.
2475 Progress Way
Woodburn, Oregon 97071

This Expedited Settlement Agreement (ESA) is being entered into by the U.S. Environmental Protection Agency Region 10 (EPA), by its duly delegated official, and by Specialty Polymers, Inc. ("Respondent") pursuant to Section 113(a)(3) and (d) of the Clean Air Act (CAA), 42 U.S.C. § 7413(a)(3) and (d), and by 40 C.F.R. § 22.13(b). On December 9, 2016, EPA obtained the concurrence of the U.S. Department of Justice, pursuant to Section 113(d)(1) of the CAA, 42 U.S.C. § 7413(d)(1), to pursue this administrative enforcement action.

ALLEGED VIOLATIONS

EPA has determined that Respondent violated the Risk Management Program (RMP) regulations promulgated at 40 C.F.R. Part 68 under Section 112(r) of the Clean Air Act (CAA), as noted on the enclosed Risk Management Plan Inspection Findings and Alleged Violations Summary ("Summary"), which is hereby incorporated by reference.

SETTLEMENT

In consideration of the penalty assessment factors set forth in Section 113(e) of the Act, 42 U.S.C. § 7413(e), and upon consideration of the entire record, the parties enter into the ESA in order to settle the violations described in the enclosed Summary for the total penalty amount of **\$14,700**.

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 herein and in the Summary, and consents to the assessment of the penalty as stated above.

Respondent waives its rights to contest the allegations contained herein or in the Summary, to a hearing afforded by Section 113(d)(2)(A) of the CAA, 42 U.S.C. § 7413(d)(2)(A), and to appeal 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 enclosed Summary.

Respondent agrees to submit payment in full of the \$14,700 within 30 days of the filing of a fully executed copy of this ESA with the Regional Hearing Clerk.

Payment instructions are included on the enclosed "Payment Instructions," which is hereby incorporated by reference.

This original ESA must be sent by certified mail to:

Javier Morales, 112(r) Enforcement Coordinator
Office of Compliance and Enforcement
U.S. Environmental Protection Agency
1200 Sixth Avenue, Suite 155, Mail Stop: OCE-201
Seattle, Washington 98101

Upon Respondent's submission of the signed original ESA, signature by EPA, filing with the Regional Hearing Clerk, and timely payment of the penalty, EPA will take no further civil penalty action against Respondent for the alleged violations of the CAA referenced in the Summary. EPA does not waive its right to any other enforcement action for any other violations of the CAA or any other statute.

If the signed original ESA is not returned to the EPA Region 10 at the above address by Respondent within 45 days of the date of Respondent's receipt of it (90 days if an extension is granted), the proposed ESA is withdrawn, without prejudice to EPA's ability to file an enforcement action for the violations identified herein and in the Summary.

This ESA is binding on the parties signing below.

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

FOR RESPONDENT:

Signature: *Aaron L. Hughes*
Name (print): Aaron L. Hughes
Title (print): Director of Operations
Cost to correct violation(s): \$24,850

Date: 10/29/2018

FOR COMPLAINANT:

E. J. Kowalski
Edward J. Kowalski
Director
Office of Compliance and Enforcement

Date: 11/1/2018

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

Richard Mednick
Richard Mednick
Regional Judicial Officer

Date: 11/5/18



U.S. ENVIRONMENTAL PROTECTION AGENCY

Risk Management Program Inspection Findings and Alleged Violations Summary Region 10

REASON FOR INSPECTION: This inspection is for the purpose of determining compliance with Section 112(r)(7) accidental release prevention requirements of the Clean Air Act, as amended 1990. The scope of this inspection may include, but is not limited to: reviewing and obtaining copies of documents and records; interviews and taking of statements; reviewing of chemical storage, handling, processing, and use; taking samples and photographs; and any other inspection activities necessary to determine compliance with the Act.

FACILITY NAME: Specialty Polymers, Inc.	<input checked="" type="checkbox"/> PRIVATE # EMPLOYEES: 58	<input type="checkbox"/> GOVERNMENTAL/MUNICIPAL POPULATION SERVED: Click here
FACILITY LOCATION: 2475 Progress Way, Woodburn, Oregon 97071	INSPECTION START DATE AND TIME: 3/22/2018 08:30	
MAILING ADDRESS: 2475 Progress Way, Woodburn, P.O. Box 299, Oregon 97071	INSPECTION END DATE AND TIME: 3/22/2018 15:00	
RESPONSIBLE OFFICIAL, TITLE, PHONE NUMBER: Jeff Dahl, Operations Manager, (503) 981-7523	EPA FACILITY ID# 1000 0016 3921	
FACILITY REPRESENTATIVE(S), TITLE(S), PHONE NUMBER(S): Jeff Southwell, Vice President, (503) 981-7523 Mark Frisco, Environmental Health and Safety Manager	INSPECTOR NAME(S), TITLE(S), PHONE NUMBER(S) Peter Phillips, US EPA SEE Grantee, Lead RMP Inspector, 206-553-1757 Erin Williams, US EPA, RMP/EPCRA Inspector Bob Hales, US EPA SEE Grantee, RMP Inspector Terry Garcia, US EPA SEE Grantee, RMP Inspector Maren Fulton, Ecology and Environment, Inc., START IV Contractor	
	INSPECTOR SIGNATURE 	DATE 7-30-18

INSPECTION FINDINGS

IS FACILITY SUBJECT TO RMP REGULATION (40 C.F.R. §68)?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
DID FACILITY SUBMIT AN RMP AS PROVIDED IN 68.150 TO 68.185?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
DATE RMP FILED WITH EPA: 11/29/1999	DATE OF LATEST RMP UPDATE: 05/20/2015	
1) PROCESS/NAICS CODE: 325211	PROGRAM LEVEL: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input checked="" type="checkbox"/> 3	
REGULATED SUBSTANCE: Vinyl acetate monomer	MAX. QUANTITY IN PROCESS (lbs.): 280,000	

DESCRIPTION OF ALLEGED VIOLATIONS

CAA Section 112(r) and its implementing regulations in 40 C.F.R. Part 68 require an owner or operator of a stationary source that has more than a threshold quantity of a regulated substance (listed in § 68.130) in a process, to develop a Risk Management Plan (RMP) and Risk Management Program.

Four EPA representatives and an EPA contractor inspected the Specialty Polymers, Inc. facility on March 22, 2018. Based upon this inspection the Specialty Polymers, Inc. facility is in violation of the following risk management program elements:

- Process Hazard Analysis (PHA):** Specialty Polymers, Inc. has not established a system to promptly address the team's findings and recommendations; assured that the recommendations are resolved in a timely manner and documented; documented what actions are to be taken; completed actions as soon as possible; developed a written schedule of when these actions are to be completed; and communicated the actions to operating, maintenance, and other employees whose work assignments are in the process and who may be affected by the recommendations as required in 40 C.F.R. § 68.67(e). During the inspection, Specialty Polymers, Inc.'s 2013 PHA did not assign target dates of completion of the findings and the dates that the recommendations were resolved.
- Operating Procedures:** Specialty Polymers, Inc. has not developed and implemented written operating procedures that address consequences of deviations under the operating limits, as required in 40 C.F.R. § 68.69(a)(2)(i). Specialty Polymers, Inc. was unable to produce documentation during the inspection.
- Operating Procedures:** Specialty Polymers, Inc. has not developed and implemented written operating procedures that address steps required to correct or avoid deviation under the operating limits, as required in 40 C.F.R. § 68.69(a)(2)(ii). Specialty Polymers, Inc. was unable to produce documentation during the inspection.
- Operating Procedures:** Specialty Polymers, Inc. has not developed and implemented written operating procedures that address safety systems and their functions, as required in 40 C.F.R. § 68.69(a)(4). Specialty Polymers, Inc. was unable to produce documentation during the inspection. On April 5, 2018, Specialty Polymers provided a written e-mail narrative on their safety systems.
- Operating Procedures:** Specialty Polymers, Inc. has not certified annually that the operating procedures are current and accurate and that procedures have been reviewed as often as necessary, as required in 40 C.F.R. § 68.69(c). Specialty Polymers, Inc. provided an annual SOP certification dated 4/16/2014. On April 5, 2018, Specialty Polymers provided an annual SOP certification dated 4/3/2018.
- Training:** Specialty Polymers, Inc. has not demonstrated that each employee involved in operating a process, and each employee before being involved in operating a newly assigned process, has been initially trained in an overview of the process and in the

DESCRIPTION OF ALLEGED VIOLATIONS (Cont'd)

- operating procedures, as required in 40 C.F.R. § 68.71(a)(1). Specialty Polymers, Inc. was unable to produce operator training documentation during the inspection and as a follow-up after the inspection.
7. **Training:** Specialty Polymers, Inc. has not demonstrated that initial training included emphasis on safety and health hazards, emergency operations including shutdown, and safe work practices applicable to the employee's job tasks, as required in 40 C.F.R. § 68.71(a)(1). Specialty Polymers, Inc. was unable to produce operator training documentation during the inspection and as a follow-up after the inspection.
 8. **Training:** In lieu of initial training for those employees already involved in operating a process on June 21, 1999, Specialty Polymers, Inc. has not certified in writing that the employee has the required knowledge, skills, and abilities to safely carry out the duties and responsibilities as specified in the operating procedures, as required in 40 C.F.R. § 68.71(a)(2). Specialty Polymers, Inc. was unable to produce written initial certification training for Ed Hettwer and Pat Welty that have been involved in the process prior to 1999.
 9. **Training:** Specialty Polymers, Inc. has not demonstrated that refresher training has been provided at least every three years, or more often if necessary, to each employee involved in operating a process to assure that the employee understands and adheres to the current operating procedures of the process, as required in 40 C.F.R. § 68.71(b). Specialty Polymers, Inc. was unable to produce operator refresher training documentation during the inspection and as a follow-up after the inspection.
 10. **Training:** Specialty Polymers, Inc. has not ascertained and documented in record that each employee involved in operating a process has received and understood the training required, as per in 40 C.F.R. § 68.71(c). Specialty Polymers, Inc. was unable to produce operator training documentation during the inspection and as a follow-up after the inspection. Specialty Polymers' RMP dated May 20, 2015 shows that classroom and on the job training is used and the operator's competency is verified using written tests, observation and demonstration.
 11. **Training:** Specialty Polymers, Inc. has not documented in the prepared record that the identity of the employee, the date of the training, and the means used to verify that the employee understood the training, as required in 40 C.F.R. § 68.71(c). Specialty Polymers, Inc. was unable to produce operator training documentation during the inspection and as a follow-up after the inspection. Specialty Polymers' RMP dated May 20, 2015 shows that their operator's competency is verified using written tests, observation and demonstration as a means used to verify the operator understood the training.
 12. **Mechanical Integrity:** Specialty Polymers, Inc. has not documented training for each employee involved in maintaining the on-going integrity of the process equipment listed in 68.73(a), as required in 40 C.F.R. § 68.73(c). Specialty Polymers, Inc. was unable to produce maintenance training documentation during the inspection and as a follow-up after the inspection. Specialty Polymers' Mechanical Integrity of Equipment procedure dated 1/29/2008, states "Training is provided for authorized Maintenance and Process employees on the requirements to maintain the integrity of the vinyl acetate system."
 13. **Mechanical Integrity:** Specialty Polymers, Inc. has not followed recognized and generally accepted good engineering practices (RAGAGEP) for inspections and testing procedures, as required in 40 C.F.R. § 68.73(d)(2). Specialty Polymers, Inc. was unable to produce documentation on the RAGAGEP being followed for inspection and testing during the inspection. On April 5, 2018, Specialty Polymers provided a Mechanical Integrity of Equipment procedure dated 1/29/2008, stating they follow manufacturers' recommendations and good engineering practices for the vinyl acetate system equipment.
 14. **Mechanical Integrity:** Specialty Polymers, Inc. has not documented and ensured that the frequency of inspections and tests of process equipment has been consistent with applicable manufacturers' recommendations, good engineering practices, and prior operating experience, as required in 40 C.F.R. § 68.73(d)(3). Specialty Polymers, Inc. was unable to produce documentation on the frequency of inspection and testing of vinyl acetate system equipment during the inspection including the reactor vessels, storage tank, replacement of transfer hoses and the flame arrester. On April 5, 2018, Specialty Polymers provided a Mechanical Integrity of Equipment procedure dated 1/29/2008, stating their maintenance employee is required to do monthly visual inspections of vinyl acetate system equipment (hoses, ball valves, check valves, piping fittings, etc.).
 15. **Mechanical Integrity:** Specialty Polymers, Inc. has not documented each inspection and test performed on process equipment, identifying the date of the inspection or test, the name of the person who performed the inspection or test, the serial number or other identifier of the equipment on which the inspection or test was performed, a description of the inspection or test performed, and the results of the inspection or test, as required in 40 C.F.R. § 68.73(d)(4). Specialty Polymers was unable to produce inspection and test documentation on the vinyl acetate system equipment during the inspection. On April 5, 2018, Specialty Polymers provided a Mechanical Integrity of Equipment procedure dated 1/29/2008 and Vinyl Acetate Equipment Inspection Reports (3/5/18, 2/12/18, 1/15/18, 12/8/17, 11/20/17, 10/10/18, 9/28/17, 8/30/17, 7/21/17, 6/27/17, 5/12/17, 4/18/17, 3/16/17, 2/20/17, and 1/24/17). The equipment visual inspections are done monthly according to the MI Equipment procedure. The equipment inspection report identifies the date, person (initials only), name of equipment and comments when maintenance is done. The equipment inspection report does not provide the description of the inspection or test performed and the results of the inspection or test.
 16. **Compliance Audits:** Specialty Polymers, Inc. has not certified that the stationary source has evaluated compliance with the provisions of the prevention program at least every three years to verify that the developed procedures and practices are adequate and being followed, as required in 40 C.F.R. § 68.79(a). The Process Safety Management/RMP audit report dated 4/15/15 was not found during the RMP inspection and as a follow-up after the inspection. On April 5, 2018, Specialty Polymers provided their 2018 RMP Audit Report dated 4/3/2018 performed by Mark Frisco, EHS Manager.
 17. **Compliance Audits:** Specialty Polymers, Inc. has not documented that the audit was conducted by at least one person knowledgeable in the process, as required in 40 C.F.R. § 68.79(b). The Process Safety Management/RMP audit report dated 4/15/15 was not found during the RMP inspection and as a follow-up after the inspection.
 18. **Compliance Audits:** Specialty Polymers, Inc. has not documented the audit findings in a report, as required in 40 C.F.R. § 68.79(c). The Process Safety Management/RMP audit report dated 4/15/15 was not found during the RMP inspection and as a follow-up after the inspection.
 19. **Compliance Audits:** Specialty Polymers, Inc. has not promptly determined and documented an appropriate response to each of the findings of the audit and documented that deficiencies had been corrected, as required in 40 C.F.R. § 68.79(d). The Process Safety Management/RMP audit report dated 4/15/15 was not found during the RMP inspection and as a follow-up after the inspection.

DESCRIPTION OF ALLEGED VIOLATIONS (Cont'd)

- 20. **Compliance Audits:** Specialty Polymers, Inc. has not retained the two most recent compliance reports, as required in 40 C.F.R. § 68.79(e). Specialty Polymers, Inc. did not have the Process Safety Management/RMP audit report dated 4/15/15 and 2012 RMP Audit report on file.
- 21. **Employee Participation:** Specialty Polymers, Inc. has not developed a written plan of action regarding the implementation of the employee participation required by this Employee Participation section, as required in 40 C.F.R. § 68.83(a). Specialty Polymers, Inc. was unable to produce a written employee participation plan during the inspection and as a follow-up after the inspection. Specialty Polymers' RMP dated May 20, 2015 shows that the most recent review or revision of the employee participation plan was December 12, 2014.
- 22. **Employee Participation:** Specialty Polymers, Inc. has not consulted with employees and their representatives on the conduct and development of process hazards analysis and on the development of the other elements of process safety management in chemical accident prevention provisions, as required in 40 C.F.R. § 68.83(b). Specialty Polymers, Inc. was unable to produce a written employee participation plan during the inspection and as a follow-up after the inspection on how they consult with their employees. Specialty Polymers' RMP dated May 20, 2015 shows that the most recent review or revision of the employee participation plan was December 12, 2014.
- 23. **Employee Participation:** Specialty Polymers, Inc. has not provided to employees and their representatives access to process hazards analysis and to all other information required to be developed under the chemical accident prevention provisions, as required in 40 C.F.R. § 68.83(c). Specialty Polymers was unable to produce a written employee participation plan during the inspection and as a follow-up after the inspection on how they provide employees access to documents. Specialty Polymers' RMP dated May 20, 2015 shows that the most recent review or revision of the employee participation plan was December 12, 2014.

DID FACILITY CORRECTLY ASSIGN PROGRAM LEVELS TO PROCESSES?

YES

NO

ATTACHED CHECKLIST(S):

PROGRAM LEVEL 1

PROGRAM LEVEL 2

PROGRAM LEVEL 3

OTHER ATTACHMENTS:

Certificate of Service

The undersigned certifies that the original of the attached **EXPEDITED SETTLEMENT AGREEMENT AND FINAL ORDER, In the Matter of: Specialty Polymers, Inc., Docket No.: CAA-10-2019-0008**, was filed with the Regional Hearing Clerk and served on the addressees in the following manner on the date specified below:

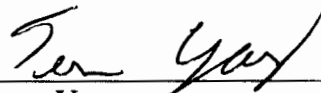
The undersigned certifies that a true and correct copy of the document was delivered to:

Javier Morales, RMP Coordinator
U.S. Environmental Protection Agency
1200 Sixth Avenue, Suite 155, OCE-201
Seattle, Washington 98101

Further, the undersigned certifies that a true and correct copy of the aforementioned document was placed in the United States mail certified/return receipt to:

Aaron Hughes
Director of Operations
Specialty Polymers, Inc.
P.O. Box 299
2475 Progress Way
Woodburn, Oregon 97071

DATED this 6 day of November, 2018



Teresa Young
Regional Hearing Clerk
EPA Region 10