

EPA ENFORCEMENT ACCOUNTS RECEIVABLE CONTROL NUMBER FORM FOR ADMINISTRATIVE ACTIONS

This form was originated by Wanda I. Santiago for Christine M. Foot 9/6/17
Name of Case Attorney Date

in the ORC (RAA) at 918-1113
Office & Mail Code Phone number

Case Docket Number CAA-01-2017-0065

Site-specific Superfund (SF) Acct. Number _____

This is an original debt This is a modification

Name and address of Person and/or Company/Municipality making the payment:

INEOS Melamines LLC
730B Worcester Street
Springfield, MA 01151

Total Dollar Amount of Receivable \$ 9,300 Due Date: 9/27/17

SEP due? Yes No Date Due _____

Installment Method (if applicable)

INSTALLMENTS OF:

1st \$ _____ on _____
2nd \$ _____ on _____
3rd \$ _____ on _____
4th \$ _____ on _____
5th \$ _____ on _____

For RHC Tracking Purposes:

Copy of Check Received by RHC _____ Notice Sent to Finance _____

TO BE FILLED OUT BY LOCAL FINANCIAL MANAGEMENT OFFICE:

IFMS Accounts Receivable Control Number _____

If you have any questions call: _____
in the Financial Management Office Phone Number



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Region 1
5 Post Office Square, Suite 100
Boston, MA 02109-3912

September 6, 2017

BY HAND

Wanda I. Santiago, Regional Hearing Clerk
U.S. Environmental Protection Agency-Region 1
5 Post Office Square, Suite 100
Mail Code OES04-2
Boston, MA 02109-3912

RECEIVED

SEP 06 2017

EPA ORC *WS*
Office of Regional Hearing Clerk

Re: In the Matter of: INEOS Melamines LLC; Docket No. CAA-01-2017-0065

Dear Ms. Santiago:

Enclosed for filing, please find the original and one copy of an Expedited Settlement Agreement resolving the matter referenced above.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink that reads "Christine M. Foot".

Christine M. Foot
Enforcement Counsel
EPA Region 1

Enclosures

cc: Charles Lyon, Manager, INEOS Melamines LLC
Scott B. Hansen, Operations Director, INEOS Melamines LLC



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 1

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

EXPEDITED SETTLEMENT AGREEMENT

DOCKET NO: CAA-01-2017-0065

This ESA is issued to: INEOS Melamines LLC, 730B Worcester Street, Springfield, Massachusetts 01151 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, Susan Studlien, Director, Office of Environmental Stewardship, and by Respondent, INEOS Melamines LLC (“Respondent”), pursuant to Sections 113(a)(3) and (d) of the Clean Air Act (“Act”), 42 U.S.C. §§ 7413(a)(3) and (d), and by 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 May 14, 2014, authorized EPA representatives conducted a compliance inspection of Respondent’s facility located at 730B Worcester Street in Springfield, Massachusetts to determine its compliance with the Risk Management Program (“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 by failing to comply with the regulations 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, 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, described in the attached Form, for the total penalty amount of \$9,300.

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 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. 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 submit payment of the \$9,300 penalty within 20 days of receiving a fully

executed copy of this ESA. The Respondent may pay the penalty by cashier's check, certified check, or wire transfer.

If payment is made by check, make payable to "Treasurer, United States of America," include Docket Number CAA-01-2017-0065, and send to:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, MO 63197-9000

If payment is made by wire transfer, include the Docket Number CAA-01-2017-0065 in Field Tag 6000 and "D 68010727 Environmental Protection Agency" in Field Tag 4200. The wire transfer account is:

Federal Reserve Bank of New York
33 Liberty Street
New York NY 10045
ABA: 021030004
Account: 68010727
SWIFT address: FRNYUS33

Respondent must also send a copy of the check or wire transfer receipt to:

Christine M. Foot
Enforcement Counsel
Office of Environmental Stewardship (OES 04-2)
U.S. Environmental Protection Agency Region 1
5 Post Office Square, Suite 100
Boston, MA 02109-3912

and

Wanda I. Santiago
Regional Hearing Clerk (ORA 18-1)
U.S. Environmental Protection Agency, Region 1
5 Post Office Square, Suite 100
Boston, MA 02109-3912

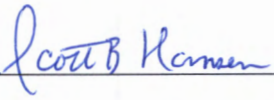
Upon Respondent's submission of the signed original ESA, EPA will take no further civil penalty action against Respondent for the violations of the Act alleged above and in the Form. This ESA shall not be construed as a covenant not to sue, a release, waiver, or limitation of any rights, remedies, powers, 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.

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 and return the ESA and pay the penalty on time, EPA may pursue more formal enforcement measures, including seeking civil penalties of up to \$37,500 per day for each violation. This ESA is binding on the parties signing below.

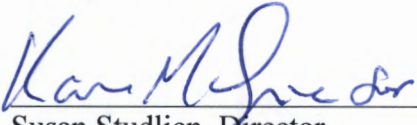
This ESA is effective upon filing with the Regional Hearing Clerk.

FOR RESPONDENT:



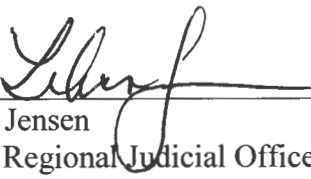
Date: 8/17/17
Name (print): SCOTT B HANSEN
Title (print): OPERATIONS DIRECTOR

FOR COMPLAINANT:



Date: 8/31/17
Susan Studlien, Director
Office of Environmental Stewardship
U.S. EPA Region 1

I hereby ratify the ESA resolving *In the Matter of INEOS Melamines LLC* No. CAA-01-2017-0065 and incorporate it herein by reference. It is so ORDERED.



Date: 9/1/17
LeAnn Jensen
Acting Regional Judicial Officer
U.S. EPA Region I



U.S. ENVIRONMENTAL PROTECTION AGENCY
RISK MANAGEMENT PROGRAM INSPECTION FINDINGS,
ALLEGED VIOLATIONS AND PROPOSED PENALTY FORM

REASON FOR INSPECTION: This inspection is 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. § 7412(r)(7), and the regulations set forth at 40 C.F.R. Part 68. 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 chemical storage, handling, processing, and use; taking samples and photographs; and any other inspection activities necessary to determine compliance with the Act.

FACILITY NAME: INEOS Melamines LLC	<input checked="" type="checkbox"/> PRIVATE <input type="checkbox"/> GOVERNMENTAL/MUNICIPAL # of EMPLOYEES: 45
FACILITY ADDRESS: 730B Worcester Street Springfield, Massachusetts 01151	INSPECTION START DATE AND TIME: 5/14/14 INSPECTION END DATE AND TIME : 5/14/14
RESPONSIBLE OFFICIAL, TITLE, PHONE NUMBER: Scott B. Hansen, Operations Director (413) 730-3216	EPA FACILITY ID#: 1000 0021 2691
FACILITY REPRESENTATIVE(S), TITLE(S), PHONE NUMBER(S): Scott B. Hansen, Operations Director (413) 730-3216 Scott.hansen@ineos.com	INSPECTOR NAME(S), TITLE(S): Leonard V. Wallace, IV, US EPA Region 1 David F. Oberhauser, US EPA Region 1/SEE George W. Siple, US EPA Region 1/SEE

INSPECTION FINDINGS

IS FACILITY SUBJECT TO RMP REGULATION (40 CFR Part 68)? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
DID FACILITY SUBMIT AN RMP AS PROVIDED IN 68.150 TO 68.185 AND UPDATE THE RMP AS PROVIDED IN 68.190 TO 69.195? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO DATE RMP INITIALLY FILED WITH EPA: 07/01/2011. DATE OF RMP UPDATE: 06/24/2016
1) PROCESS/NAICS CODE: 325211 PROGRAM LEVEL: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> REGULATED SUBSTANCE: formaldehyde solution MAX. QUANTITY IN PROCESS: 1,000,000 lbs.

DID FACILITY CORRECTLY ASSIGN PROGRAM LEVELS TO PROCESSES?

YES

NO

ATTACHED CHECKLIST(S):

PROGRAM LEVEL 1 PROCESS CHECKLIST

PROGRAM LEVEL 2 PROCESS CHECKLIST

PROGRAM LEVEL 3

PROCESS CHECKLIST

OTHER

**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:
INEOS Melamines LLC, Springfield, Massachusetts.

1. Program Level 3 Alleged Violations and Unadjusted Penalties

Section B: Hazard Assessment [68.20-68.42]	
<p>Was the hazard assessment conducted and documented using appropriate surface roughness values for the release analysis? [68.22(e)]?</p> <ul style="list-style-type: none"> - The company had not correctly analyzed the off-site consequences of its worst-case and alternative release scenarios in its 2011 RMP, in that it used an “urban” instead of a “rural” topography parameter in the air dispersion model for both the worst-case and alternative release scenarios, even though the area surrounding the Facility consists of a river and low-profile buildings. 	\$ 300.00
<p>Has the owner or operator determined the worst-case release quantity to be...,[i]f released from a vessel, the greatest amount held in a single vessel, taking into account administrative controls that limit the maximum quantity [68.25(b)(1)]?</p> <ul style="list-style-type: none"> - The company did not use the quantity of formalin contained in its largest vessel (using 36,221 pounds instead of the 720,560 pounds reported on its Tier 2 forms) in the off-site consequences analysis of its 2011 RMP worst-case release scenario, which dramatically reduced the estimated distance to the toxic endpoint. 	\$ 600.00
Section C – Prevention Program – Safety information [68.65]	
<p>Has the owner or operator documented that equipment complies with recognized and generally accepted good engineering practices [68.65(d)(2)]?</p> <ul style="list-style-type: none"> - At the time of the inspection, portions of the formalin process piping system (including in Buildings 94 and 81) and related lights and switches lacked adequate labeling. <i>See, e.g., Amer. Soc’y of Mech. Eng’rs, Standard A13.1-2007: Scheme for the Identification of Piping Systems § 3 (2007).</i> 	\$ 1500.00
Section C – Prevention Program – Process Hazard Analysis [68.67]	
<p>Did the PHA address identification of any incident that had a likely potential for catastrophic consequences [68.67(c)(2)]?</p> <ul style="list-style-type: none"> - The 2009 PHA, which was in effect at the time of Inspection and continued to be so until Respondent performed a new one (six months after the five-year due date) on February 1, 2015, failed to address tornadoes, hurricanes, and similar natural disasters. 	\$ 600.00
<p>Did the PHA address stationary source siting [68.67(c)(5)]?</p> <ul style="list-style-type: none"> - The PHA failed to address potential issues related to the siting of the stationary source, like floods and earthquakes. 	\$ 600.00
<p>Has the owner or operator established a system to promptly address the team’s [PHA] 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 [68.67(e)]?</p> <ul style="list-style-type: none"> - At the time of the inspection, the company’s PHA lacked identified findings and had incomplete documentation indicating a schedule for or resolution of the action items. 	\$ 1500.00

Section C – Prevention Program – Operating procedures [68.69]

Do the procedures address all of the elements listed in [68.69(a)] (Steps for each operating phase, Operating limits, Safety and health considerations, and Safety systems and their functions)? – At the time of the inspection, the facility did not have adequate operating procedures in place, for example Res.Op. 14-01.02 (“Electrical Failure to 6 Kettle”) and Res.Op. 14-02.08 (“Melamine Overcharge/Undercharge in 6 Kettle”) lacked most of the required elements except normal operations (and/or lacked adequate cross-reference to any other documents containing these required elements).	\$ 1200.00
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Section C – Prevention Program – Mechanical Integrity [68.73]

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)]? – At the time of the inspection, the facility had certain pipes and components with signs of corrosion (Building 81), including a broken and rusted condensate pipe (Blend Tank area) and a rusted manual switch (Blend Tank area), damaged insulation and piping on Blend Tank 7, a mismatch in types of joined piping, and stains on the floors indicating spills and leaks that had not been cleaned up (Building 81).	\$ 1200.00
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Section C – Prevention Program – Compliance audits [68.79]

Has the owner or operator promptly determined and documented an appropriate response to each of the findings of the audit and documented that deficiencies had been corrected [68.79(d)]? – The documentation from the company’s 2013 PSM and RMP Compliance Audit included an “Attachment A: Summary of Findings and Opportunities for Improvement,” but it did not document any resolutions of findings or recommendations nor any further notations regarding follow-up actions.	\$ 300.00
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Section E - Hot Work Permit [68.85]

Has the owner or operator issued a hot work permit for each hot work operation conducted on or near a covered process [68.85(a)]? – At the time of the inspection, the company had issued incomplete hot work permits, as they only had “site-issued” hot work permits in place, but had failed to obtain and retain hot work permits from the Springfield Fire Department.	\$ 1500.00
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Total unadjusted penalty: \$9,300

2. 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

# 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

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

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 Penalty and the Size/Threshold Quantity multiplier.

$$\begin{array}{rcl} \text{Proposed Penalty} & = & \mathbf{\$9,300} \text{ (Unadjusted Penalty)} \\ & \times & \mathbf{1.0} \text{ (Size/Threshold Quantity Multiplier)} \\ & = & \mathbf{\underline{\$9,300}} \end{array}$$

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 1 – NEW ENGLAND

_____))
IN THE MATTER OF))
INEOS Melamines LLC) Docket No.: CAA-01-2017-0065
730B Worcester Street))
Springfield, Massachusetts 01151))
Respondent))
Proceeding under Section 113(d) of the Clean Air))
Act, 42 U.S.C. § 7413(d)))
_____)

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Expedited Settlement Agreement has been sent to the following persons on the date noted below:

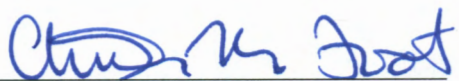
Original and one copy
(hand-delivered):

Ms. Wanda I. Santiago
Regional Hearing Clerk
U.S. EPA, Region I
5 Post Office Square, Suite 100
Mail Code ORA18-1
Boston, MA 02109-3912

Copy (certified mail, return
receipt requested):

Charles Lyon, Manager
INEOS Melamines LLC
730 B Worcester Street
Springfield, Massachusetts 01151

Dated: 9/6/17


Christine M. Foot, Enforcement Counsel
U.S. Environmental Protection Agency, Region 1
5 Post Office Square, Suite 100
Mail Code OES04-2
Boston, MA 02109-3912