# BEFORE THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION III

In the Matter of:

TNEMEC Company, Inc. 6800 Corporate Drive Kansas City, Missouri 64120

Respondent

TNEMEC Company, Inc. 2300 Edgewater Avenue Baltimore, Maryland 21222

**Facility** 

Docket No. EPCRA-03-2019-0055

U.S. EPA-REGION 3-RHC FILED-13MAR2019pm3:15

CONSENT AGREEMENT

Proceeding under EPCRA § 313 and, 325(c), 42 U.S.C. §§ 11023 and 11045(c)

#### CONSENT AGREEMENT

#### **Preliminary Statement**

This Consent Agreement is entered into by the Director of the Land and Chemicals Division, U.S. Environmental Protection Agency, Region III ("Complainant"), and TNEMEC Company, Inc. ("Respondent"), pursuant to Sections 313 and 325(c) of the Emergency Planning and Community Right-to-Know Act of 1986 ("EPCRA"), 42 U.S.C. §§ 11023 and 11045(c), the regulations implementing EPCRA § 313, as set forth at 40 C.F.R. Part 372, and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation / Termination or Suspension of Permits ("Consolidated Rules of Practice"), 40 C.F.R. Part 22. Pursuant to 40 C.F.R. §§ 22.13(b) and .18(b)(2) and (3), this Consent Agreement and the accompanying Final Order (collectively, "CAFO"), simultaneously commence and conclude this proceeding to resolve violations of EPCRA § 313, 42 U.S.C. § 11023, and implementing regulations promulgated thereunder, as alleged herein, by Respondent at its facility located at 2300 Edgewater Avenue, Baltimore, MD 21222.

#### **General Provisions**

- 1. For purposes of this proceeding only, Respondent admits the jurisdictional allegations set forth in this CAFO.
- 2. Except as provided in Paragraph 1, above, Respondent neither admits nor denies the specific factual allegations and legal conclusions set forth in this CAFO.

- Respondent agrees not to contest the jurisdiction of EPA with respect to the execution of this Consent Agreement, the issuance of the attached Final Order, or the enforcement of this CAFO.
- 4. For purposes of this proceeding only, Respondent hereby expressly waives any right to contest any issue of law or fact set forth in this Consent Agreement and any right to appeal the accompanying Final Order.
- 5. Respondent consents to the issuance of this CAFO and agrees to comply with its terms and conditions.
- 6. Each party shall bear its own costs and attorney's fees in connection with this proceeding.

#### Findings of Fact and Conclusions of Law

- 7. In accordance with Sections 22.13(b) and .18(b)(2) of the Consolidated Rules of Practice, Complainant alleges the following findings of fact and conclusions of law.
- 8. EPCRA Section 313(a), 42 U.S.C. § 11023(a), requires subject owners or operators of any facility that, in any calendar year, manufactures, processes or otherwise uses a toxic chemical listed under EPCRA Section 313(c), 42 U.S.C. § 11023(c), in quantities exceeding a regulatory threshold established under EPCRA Section 313(f), 42 U.S.C. § 11023(f), to complete and submit a toxic chemical release inventory report (*i.e.*, "Form R" or "Form A") for each such listed toxic chemical. Pursuant to EPCRA Section 313(a), 42 U.S.C. § 11023(a), each required Form R or Form A must include the information required under Section 313(g) of EPCRA, 42 U.S.C. § 11023(g), and must be submitted to EPA and to the designated State agency by July 1 of the year following the year for which such toxic inventory report is required.
- 9. EPCRA Section 313(b), 42 U.S.C. § 11023(b), and 40 C.F.R. § 372.22 provide, in relevant and applicable part, that a facility which meets the following criteria for a calendar year is a "covered facility" for that calendar year and must report under 40 C.F.R. § 372.30: [a] the facility has 10 or more full-time employees; [b] the facility is in a Standard Industrial Classification ("SIC") (as in effect on January 1, 1987) major group or industrial code listed in 40 C.F.R. § 372.23(a), for which the corresponding North American Industrial Classification System ("NAICS") (as in effect on January 1, 2012, for reporting year 2013 and thereafter) subsector and industry codes are listed in 40 C.F.R. § 372.23(b) and (c) by virtue of the fact that the facility is an establishment with a primary SIC major group or industry code listed in 40 C.F.R. § 372.23(a), or a primary NAICS subsector or industry code listed in 40 C.F.R. § 372.23(b) or 40 C.F.R. § 372.23(c); and [c] the facility manufactured (including imported), processed, or otherwise used a toxic chemical in excess of an applicable threshold quantity of that chemical set forth in 40 C.F.R. § 372.25, 372.27, or 375.28.
- 10. 40 C.F.R. § 372.30(a) provides, in relevant part, that for each toxic chemical known

by the owner or operator to be manufactured (including imported), processed, or otherwise used in excess of an applicable threshold quantity in 40 C.F.R. § 372.25, § 372.27, or § 372.28 at its covered facility for a calendar year, the owner or operator must submit to EPA and to the State in which the facility is located a completed EPA Form R (EPA Form 9350–1) or Form A (EPA Form 9350-2), whichever is applicable, in accordance with the instructions referred to in 40 C.F.R. Part 372, Subpart E.

- 11. 40 C.F.R. § 372.30(d) provides, in relevant part, that: "[e]ach report under this section for activities involving a toxic chemical that occurred during a calendar year at a covered facility must be submitted on or before July 1 of the next year."
- 12. Section 329(4) of EPCRA, 42 U.S.C. § 11049(4), and 40 C.F.R. § 372.3 define "facility" to mean, in relevant part, all buildings, equipment, structures, and other stationary items that are located on a single site and that are owned or operated by the same person.
- 13. Section 329(7) of EPCRA, 42 U.S.C. § 11049(7), defines "person" to include "any individual, trust, firm, joint stock company, corporation (including a government corporation), partnership, association, State, municipality, commission, political subdivision of a State, or interstate body."
- 14. Respondent is incorporated in the State of Missouri and is a "person" as defined in Section 329(7) of EPCRA, 42 U.S.C. § 11049(7).
- 15. Respondent owns and operates an architectural and industrial maintenance coatings manufacturing facility, and at the time of the violations alleged herein, owned and operated a plant located at 2300 Edgewood Avenue, Baltimore, Maryland 21222 ("Facility").
- 16. Respondent's Facility is a "facility" as defined in Section 329(4) of EPCRA, 42 U.S.C. § 11049(4), and 40 C.F.R. § 372.3.
- 17. During calendar years 2015 and 2016, Respondent employed 10 or more full-time employees at the Facility.
- 18. During calendar years 2015 and 2016, the Facility had a SIC code of 2851, corresponding to paints, varnishes, lacquers, enamels and allied products.
- 19. For purposes of toxic chemical release reporting, the Facility was a "covered facility," within the meaning of 40 C.F.R. § 372.22, and required to file a toxic chemical release report under 40 C.F.R. § 372.30(a), in each of calendar years 2015 and 2016.

# Count I - Polycyclic Aromatic Compounds (PACs)

20. The allegations of Paragraphs 1 through 19, above, are incorporated by reference as

though fully set forth herein.

- 21. "Polycyclic Aromatic Compounds" (PACs) is a category of chemicals listed in 40 C.F.R. § 372.65(b) and is a "toxic chemical" as defined in EPCRA §§ 313(c) and 329(10), 42 U.S.C. §§ 11023(c) and 11049(10), and in 40 C.F.R. § 372. 3.
- 22. As set forth in Section 313(f)(1)(B)(iii) of EPCRA, 42 U.S.C. § 11023(f)(1)(B)(iii), and 40 C.F.R. § 372.28, the reporting threshold amount for PACs processed at a facility is 100 pounds.
- 23. Respondent processed more than 100 pounds of PACs at the Facility during calendar year 2015.
- 24. Pursuant to EPCRA § 313(a), 42 U.S.C. § 11023(a), and 40 C.F.R. § 372.30, Respondent was required to submit to the Administrator of EPA and the State of Maryland, by July 1 of 2016, a completed Form R for the PACs processed at the Facility during calendar year 2015.
- 25. Respondent did not file a Form R for the toxic chemical category of PACs processed at the Facility during calendar year 2015 with the Administrator of EPA or the State of Maryland.
- 26. Respondent filed a complete Form R for the toxic chemical category of PACs processed at the Facility during calendar year 2015 with the Administrator of EPA and the State of Maryland on or about July 3, 2018.
- 27. Respondent's failure to timely file, by July 1, 2016, a complete Form R with EPA or the State of Maryland for the toxic chemical category of PACs processed at the Facility during calendar year 2015 constitutes one violation of Section 313 of EPCRA, 42 U.S.C. § 11023, and 40 C.F.R. § 372.30.

### Count II - Certain Glycol Ethers 2016

- 28. The allegations of Paragraphs 1 through 27, above, are incorporated by reference as though fully set forth herein.
- 29. "Certain glycol ethers" is a category of chemicals listed in 40 C.F.R. § 372.65(b) and is a "toxic chemical" as defined in EPCRA §§ 313(c) and 329(10), 42 U.S.C. §§ 11023(c) and 11049(10), and in 40 C.F.R. § 372. 3.
- 30. As set forth in Section 313(f)(1)(B)(iii) of EPCRA, 42 U.S.C. § 11023(f)(1)(B)(iii), and 40 C.F.R. § 372.25, the reporting threshold amount for certain glycol ethers processed at a facility is 25,000 pounds.

- 31. Respondent processed more than 25,000 pounds of certain glycol ethers at the Facility during calendar year 2016.
- 32. Pursuant to EPCRA § 313(a), 42 U.S.C. § 11023(a), and 40 C.F.R. § 372.30, Respondent was required to submit to the Administrator of EPA and the State of Maryland, by July 1 of 2017, a completed Form R for certain glycol ethers processed at the Facility during calendar year 2016.
- 33. Respondent filed a complete Form R for the toxic chemical category of certain glycol ethers processed at the Facility during calendar year 2016 with the Administrator of EPA and the State of Maryland on or about July 3, 2018.
- 34. Respondent's failure to timely file, by July 1, 2017, a complete Form R with EPA or the State of Maryland for the toxic chemical category of certain glycol ethers processed at the Facility during calendar year 2016 constitutes one violation of Section 313 of EPCRA, 42 U.S.C. § 11023, and 40 C.F.R. § 372.30.

## Settlement

- 35. Section 325(c) of EPCRA, 42 U.S.C. § 11045(c), provides that any person who violates EPCRA § 313, 42 U.S.C. § 11023, shall be liable to the United States for a civil penalty of up to \$25,000 per violation. Pursuant to the Adjustment of Civil Monetary Penalties for Inflation, 40 C.F.R. Part 19, violations of Section 313 of EPCRA, 42 U.S.C. § 11023, occurring after January 12, 2009 through November 2, 2015, are subject to a civil penalty of up to \$37,500 per violation, and violations of Section 313 of EPCRA, 42 U.S.C. § 11023, occurring after November 2, 2015 are subject to a civil penalty of up to \$55,907 per violation.
- 36. Respondent agrees to pay a civil penalty in the amount of **EIGHTEEN THOUSAND DOLLARS** (\$18,000.00) in settlement and satisfaction of all civil claims for penalties which Complainant may have concerning the violations alleged and set forth in this CAFO. Such civil penalty shall become due and payable immediately upon Respondent's receipt of a true and correct copy of the CAFO signed by EPA. In order to avoid the assessment of interest, administrative costs and late payment penalties in connection with such civil penalty, Respondent must pay such civil penalty no later than thirty (30) calendar days after the date on which this CAFO is mailed or hand-delivered to Respondent.

The civil penalty settlement amount set forth in Paragraph 36, immediately above, is based upon complainant's consideration of the statutory factors set forth in EPCRA § 325(b)(1)(C), 42 U.S.C. § 11045(b)(1)(C), which include, among other things, the seriousness of the violation and any good faith efforts to comply with the applicable requirements. These factors were applied to the particular facts and circumstances of this case with specific reference to EPA's Enforcement Response Policy for Section 313 of the Emergency Planning and Community Right-to-Know Act (1986) (April 12, 2001).

Complainant has also considered the Adjustment of Civil Penalties for Inflation, 40 C.F.R. Part 19, the December 6, 2013 memorandum by EPA Administrator Cynthia Giles, entitled Amendments to the U.S. Environmental Protection Agency's Civil Penalty Policies to Account for Inflation (Effective December 6, 2013), the July 27, 2016 memorandum by EPA Administrator Cynthia Giles, entitled Amendments to the U.S. Environmental Protection Agency's Civil Penalty Policies to Account for Inflation (Effective August 1, 2016), and the January 11, 2018 memorandum by EPA Assistant Administrator Susan Parker Bodine, entitled Amendments to the EPA's Civil Penalty Policies to Account for Inflation (effective January 15, 2018) and Transmittal of the 2018 Civil Monetary Penalty Inflation Adjustment Rule.

- 37. The settlement in this proceeding is consistent with the provisions and objectives of EPCRA § 313, 42 U.S.C. § 11023, and 40 C.F.R. Part 372.
- 38. Payment of the civil penalty amount set forth in Paragraph 36, above, plus any interest, administrative fees, and late payment penalties owed, in accordance with Paragraphs 39 through 42, below, by either cashier's check, certified check, or electronic wire transfer, in the following manner:
  - All payments by Respondent shall reference Respondent's name and address, and the Docket Number of this action (*Docket No. EPCRA-03-2019-0055*);
  - b. All checks shall be made payable to "United States Treasury;"
  - c. All payments made by check and sent by regular mail shall be addressed and mailed to:

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

Customer service contact: 513-487-2091

d. All payments made by check and sent by overnight delivery service shall be addressed and mailed to:

U.S. Environmental Protection Agency Cincinnati Finance Center Government Lockbox 979077 1005 Convention Plaza Mail Station SL-MO-C2-GL St. Louis, MO 63101 Contact: 314-418-1818

e. All payments made by check in any currency drawn on banks with no USA branches shall be addressed for delivery to:

Cincinnati Finance US EPA, MS-NWD 26 W. M.L. King Drive Cincinnati, OH 45268-0001

f. All payments made by electronic wire transfer shall be directed to:

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

Field Tag 4200 of the Fedwire message should read: "D 68010727 Environmental Protection Agency"

g. All electronic payments made through the Automated Clearinghouse (ACH), also known as Remittance Express (REX), shall be directed to:

US Treasury REX / Cashlink ACH Receiver
ABA = 051036706
Account No.: 310006, Environmental Protection Agency
CTX Format Transaction Code 22 - Checking

Physical location of U.S. Treasury facility: 5700 Rivertech Court Riverdale, MD 20737

Contact: 866-234-5681

h. On-Line Payment Option: WWW.PAY.GOV/paygov/

Enter sfo 1.1 in the search field. Open and complete the form.

i. Additional payment guidance is available at:

http://www2.epa.gov/financial/makepayment

or by contacting Craig Steffen at 513-487-2091

j. At the time of payment, Respondent shall simultaneously send a notice of payment, including a copy of the check or electronic wire transfer, as applicable, to:

Daniel T. Gallo Assistant Regional Counsel Waste and Chemical Law Branch (3RC30) U.S. EPA, Region III 1650 Arch Street Philadelphia, PA 19103-2029

and

Regional Hearing Clerk (3RC00) U.S. EPA, Region III 1650 Arch Street Philadelphia, PA 19103-2029

- 39. Pursuant to 31 U.S.C. § 3717 and 40 C.F.R. § 13.11, EPA is entitled to assess interest and late payment penalties on outstanding debts owed to the United States and a charge to cover the costs of processing and handling a delinquent claim, as more fully described below. Accordingly, Respondent's failure to make timely payment as specified herein shall result in the assessment of late payment charges including interest, penalties, and/or administrative costs of handling delinquent debts.
- 40. Interest on the civil penalty assessed in this CAFO will begin to accrue on the date that a true and correct copy of this CAFO is mailed or hand-delivered to Respondent. However, EPA will not seek to recover interest on any amount of the civil penalty that is paid within thirty (30) calendar days after the date on which such interest begins to accrue. Interest will be assessed at the rate of the United States Treasury tax and loan rate in accordance with 40 C.F.R. § 13.11(a).
- 41. The costs of the Agency's administrative handling of overdue debts will be charged and assessed monthly throughout the period a debt is overdue. 40 C.F.R. § 13.11(b). Pursuant to Appendix 2 of EPA=s Resources Management Directives Cash Management, Chapter 9, EPA will assess a \$15.00 administrative handling charge for administrative costs on unpaid penalties for the first thirty (30) day period after the payment is due and an additional \$15.00 for each subsequent thirty (30) days the penalty remains unpaid.
- 42. A late payment penalty of six percent per year will be assessed monthly on any portion of the civil penalty that remains delinquent more than ninety (90) calendar days. 40 C.F.R. § 13.11(c). Should assessment of the penalty charge on the debt be required, it shall accrue from the first day payment is delinquent. 31 C.F.R. §

901.9(d).

43. Respondent agrees not to deduct for federal tax purposes the civil monetary penalty assessed in this CAFO.

## Certification

44. Respondent certifies to EPA that, upon investigation, to the best of Respondent's knowledge and belief, Respondent is currently in compliance with all applicable requirements of EPCRA Section 313, 42 U.S.C. § 11023.

## Other Applicable Laws

45. Nothing in this CAFO shall relieve Respondent of its obligation to comply with all applicable federal, state, and local laws and regulations.

#### Reservation of Rights

46. This Consent Agreement and the accompanying Final Order resolve only EPA's claims for civil penalties for the specific violations of EPCRA Section 313, 42 U.S.C. § 11023, alleged herein. EPA reserves the right to commence action against any person, including Respondent, in response to any condition which EPA determines may present an imminent and substantial endangerment to the public health, public welfare, or the environment. In addition, this settlement is subject to all limitations on the scope of resolution and to the reservation of rights set forth in Section 22.18(c) of the Consolidated Rules of Practice. Further, EPA reserves any rights and remedies available to it under EPCRA, the regulations promulgated thereunder, and any other federal laws or regulations for which EPA has jurisdiction, to enforce the provisions of this CAFO, following its filing with the Regional Hearing Clerk.

## Scope of Settlement

47. The settlement set forth in this CAFO shall constitute full and final satisfaction of Complainant's civil claims for penalties for the specific violations alleged herein. Compliance with the CAFO shall not be a defense to any action commenced at any time for any other violation of the federal laws and regulations administered by EPA.

#### **Parties Bound**

48. This Consent Agreement and the accompanying Final Order shall apply to and be binding upon the EPA, the Respondent and the officers, directors, employees, contractors, successors, agents, and assigns of Respondent. By his or her signature below, the person who signs this Consent Agreement on behalf of Respondent is acknowledging that he or she is fully authorized by the party represented to execute

For the Respondent:

this Consent Agreement and to legally bind Respondent to the terms and conditions of this Consent Agreement and the accompanying Final Order.

#### **Effective Date**

49. The effective date of this Consent Agreement and the accompanying Final Order is the date on which the Final Order, signed by the Regional Administrator of EPA, Region III, or his designee, the Regional Judicial Officer, is filed with the Regional Hearing Clerk pursuant to the Consolidated Rules of Practice.

## **Entire Agreement**

50. This Consent Agreement and the accompanying Final Order constitute the entire agreement and understanding of the parties regarding settlement of all claims pertaining to the specific violations alleged herein and there are no representations, warranties, covenants, terms, or conditions agreed upon between the parties other than those expressed in this CAFO.

Date: 2/20/19	By: Kyle Frakes Director of Environmental, Health and Safety TNEMEC Company, Inc.
For the Complainant:	
Date: 2/27/19	By: Canuel Hallo Daniel T. Gallo Assistant Regional Counsel U.S. Environmental Protection Agency, Region III

After reviewing the EPA Findings of Fact, Conclusions of Law and other pertinent matters, the Land and Chemicals Division of the United States Environmental Protection Agency, Region III, recommends that the Regional Administrator, or his designee, the Regional Judicial Officer, issue the attached Final Order.

Date: 3,5,19 By: Johnsteac

John A. Armstead, Director Land and Chemicals Division

U.S. Environmental Protection Agency, Region III

# BEFORE THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION III

In the Matter of:

TNEMEC Company, Inc. 6800 Corporate Drive Kansas City, Missouri 64120

Respondent.

TNEMEC Company, Inc. 2300 Edgewater Avenue Baltimore, Maryland 21222

Facility.

EPA Docket No. EPCRA-03-2019-0055

U.S. EPA-REGION 3-RHC FILED-13MAR2019pm3:15

FINAL ORDER

Proceeding under EPCRA §§ 313 and 325(c), 42 U.S.C. §§ 11023 and 11045(c)

#### FINAL ORDER

Complainant, the Director of the Land and Chemicals Division, U.S. Environmental Protection Agency, Region III, and Respondent, TNEMEC Company, Inc., have executed a document entitled "Consent Agreement," which I hereby ratify as a Consent Agreement in accordance with the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits ("Consolidated Rules of Practice"), 40 C.F.R. Part 22, with specific reference to Sections 22.13(b) and 22.18(b)(2) and (3). The terms of the foregoing Consent Agreement are accepted by the undersigned and incorporated into this Final Order as if fully set forth at length herein.

Based upon the representations of the parties in the attached Consent Agreement, the penalty agreed to therein is based upon consideration of, *inter alia*, EPA's Enforcement Response Policy for Section 313 of the Emergency Planning and Community Right-to-Know Act (1986) and Section 6607 of the Pollution Prevention Act (1990), April 12, 2001, and the statutory factors set forth in EPCRA § 325(b)(1) (C), 42 U.S.C. § 11045(b)(1)(C), and the provisions and objectives of EPCRA § 313, 42 U.S.C. § 11023.

NOW, THEREFORE, PURSUANT TO Section 325(c) of the Emergency Planning and Community Right-to-Know Act of 1986 ("EPCRA"), 42 U.S.C. § 11045(c), and Section

22.18(b)(3) of the Consolidated Rules of Practice, IT IS HEREBY ORDERED that Respondent pay a civil penalty in the amount of *EIGHTEEN THOUSAND DOLLARS (\$18,000.00)*, in accordance with the payment provisions set forth in the Consent Agreement, and comply with the terms and conditions of the Consent Agreement.

This Final Order constitutes the final Agency action in this proceeding. This Final Order shall not in any case affect the right of the Agency or the United States to pursue appropriate injunctive or other equitable relief, or criminal sanctions for any violations of the law. This Final Order resolves only those causes of action alleged in the Consent Agreement and does not waive, extinguish or otherwise affect Respondent's obligation to comply with all applicable provisions of EPCRA § 313 and the regulations promulgated thereunder.

The effective date of the attached Consent Agreement and this Final Order is the date on which this Final Order is filed with the Regional Hearing Clerk

March 13, 2019

Date

Joseph J. Lisa

Regional Judicial and Presiding Officer

U.S. EPA Region III

# BEFORE THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION III

In the Matter of:	:
TNEMEC Company, Inc. 6800 Corporate Drive Kansas City, Missouri 64120	; ; ;
Respondent.  TNEMEC Company, Inc. 2300 Edgewater Avenue Baltimore, Maryland 21222  Facility.	EPA Docket No. EPCRA-03-2019-0055  Proceeding under EPCRA §§ 313 and 325(c), 42 U.S.C. §§ 11023 and 11045(c)
CERTIFIC	CATE OF SERVICE
Region III, 1650 Arch Street, Philadelphia, forth below, I served a true and correct copy manner specified below, at the following ad	
Via UPS, next day delivery to:	Via Hand Deliver or Inter-Office Mail:
Mr. Bradley S. Hiles, Partner Husch Blackwell LLP 190 Carondelet Plaza, Suite 600 St. Louis, Missouri 63105-3433 (Attorney for Respondent)	Daniel T. Gallo Assistant Regional Counsel Office of Regional Counsel (3RC30) U.S.EPA, Region III Philadelphia, PA 19103-2029 (Attorney for Complainant)
Via UPS, next day delivery to:	
Mr. Kyle Frakes, Director of Environmenta TNEMEC Company, Inc. 2300 Edgewater Avenue Baltimore, Maryland 21222  Dated:	I, Health and Safety  November 1

TRACKING NUMBERS: 12A43F710199499728 12A43F710199346737