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BEFORE THE
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

HEARINGS CLERK
EPA REGION 10

In the Matter of:)	
)	DOCKET NO. RCRA-10-2019-0013
)	
Stericycle Environmental Solutions, Inc.)	
and its subsidiary)	
Burlington Environmental, LLC)	CONSENT AGREEMENT
1701 East Alexander Avenue,)	and
Tacoma, Washington)	
)	FINAL ORDER
and)	
)	
Stericycle Environmental Solutions, Inc.)	
and its subsidiary)	
Burlington Environmental, LLC)	
20245 77 th Avenue South)	
Kent, Washington)	
)	
Respondent.)	

I. STATUTORY AUTHORITY

1.1. This Consent Agreement is issued under the authority vested in the Administrator of the U.S. Environmental Protection Agency (“EPA”) by Section 3008 of the Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. § 6928.

1.2. Pursuant to Section 3006(b) of RCRA, 42 U.S.C. § 6926(b), EPA granted the State of Washington (“State”) final authorization to administer and enforce a hazardous waste program and to carry out such program in lieu of the federal program.

1.3. The State has primary responsibility for implementing the authorized provisions of the RCRA hazardous waste program within its geographic boundaries, except in Indian Country (as defined in 18 U.S.C. § 1151).

1.4. The State is authorized to implement its hazardous waste program on non-trust lands within the exterior boundaries of the Puyallup Indian Reservation (also referred to as the “1873 Survey Area”) located in Tacoma, Washington pursuant to the settlement agreement between the Puyallup Tribe and Federal, State, and local governments dated August 27, 1988 (“Settlement Agreement”). The Settlement Agreement was ratified by Congress and incorporated into federal law on June 21, 1991, as the Puyallup Tribe of Indians Settlement Act of 1989, 25 U.S.C. Section 1773, *et. seq.* (“Settlement Act”).

1.5. Pursuant to Section 3008(a) of RCRA, 42 U.S.C. § 6928(a), EPA may enforce the federally-approved State of Washington’s dangerous waste program.

1.6. Pursuant to Section 3008(a)(2) of RCRA, 42 U.S.C. § 6928(a)(2), notification of this action has been given to the Washington Department of Ecology and the Puyallup Tribe of Indians.

1.7. Pursuant to Section 3008 of RCRA, 42 U.S.C. § 6928, and in accordance with the “Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties,” 40 C.F.R. Part 22, EPA issues, and Stericycle Environmental Solutions, Inc., on behalf of itself and its subsidiary Burlington Environmental, LLC (“Respondent”), agrees to issuance of the Final Order attached to this Consent Agreement (“Final Order”) without admitting the allegations contained therein.

II. PRELIMINARY STATEMENT

2.1. In accordance with 40 C.F.R. §§ 22.13(b) and 22.18(b), issuance of this Consent Agreement commences this proceeding, which will conclude when the Final Order becomes effective.

2.2. The Director of the Office of Compliance and Enforcement, EPA Region 10 (“Complainant”) has been delegated the authority pursuant to Section 3008 of RCRA, 42 U.S.C. § 6928, to sign consent agreements between EPA and the party against whom an administrative penalty for violations of RCRA is proposed to be assessed.

2.3. Part III of this Consent Agreement contains a concise statement of the factual and legal basis for the alleged violations of RCRA together with the specific provisions of RCRA and the implementing regulations that Respondent is alleged to have violated.

III. ALLEGATIONS

3.1. Burlington Environmental, LLC is a limited liability company formed under the laws of the State of Washington, and authorized to do business in the State of Washington.

3.2. Stericycle, Inc. acquired the assets of PSC Holdings, Inc., including Burlington Environmental, LLC, on April 22, 2014.

3.3. After the acquisition, PSC Holdings, Inc. was renamed Stericycle Environmental Solutions, Inc. Stericycle Environmental Solutions, Inc. is a corporation formed under the laws of Delaware and is authorized to do business in the State of Washington.

3.4. Respondent is a “person” as that term is defined by Section 1004(15) of RCRA, 42 U.S.C. § 6903(15), 40 C.F.R. § 260.10, and Washington Administrative Code (“WAC”) 173-303-040.

3.5. WAC 173-303-016(3)(a) defines “solid waste” as any discarded material that is not excluded by WAC 173-303-017(2) or that is not excluded by a variance granted under WAC 173-303-017(5).

3.6. WAC 173-303-040 defines “Dangerous wastes” as “those solid wastes designated in WAC 173-303-070 through 173-303-100 as dangerous, or extremely hazardous or mixed waste. As used in [Chapter 173-303], the words ‘dangerous waste’ will refer to the full universe of wastes regulated by this chapter.” The universe of wastes regulated by Chapter 173-303 includes “hazardous waste.”

3.7. WAC 173-303-040 defines a “generator” as any person, by site, whose act or process produces dangerous waste or whose act first causes a dangerous waste to become subject to regulation.

3.8. “Owner” is defined in WAC 173-303-040 as “the person who owns a facility or part of a facility.”

3.9. “Operator” is defined in WAC 173-303-040 as “the person responsible for the overall operation of the facility.”

3.10. “Facility” is defined in WAC 173-303-040 as “all contiguous land, and structures, other appurtenances, and improvements on the land used for recycling, reusing, reclaiming, transferring, storing, treating, or disposing of dangerous waste.”

3.11. Respondent operates the facility located at 1701 East Alexander Avenue, Tacoma, Washington 98421 (“Tacoma facility”).

3.12. Respondent operates the facility located at 20245 77th Avenue South, Kent, Washington 98032 (“Kent facility”).

3.13. The Tacoma facility and Kent facility identified in Paragraph 3.11 and 3.12 above are each a “facility” as that term is defined by WAC 173-303-040.

3.14. Respondent is the “operator” of the Tacoma facility and the Kent facility identified in Paragraph 3.11 and 3.12 above, as that term is defined in WAC 173-303-040.

3.15. Respondent is the “owner” of the Tacoma facility and Kent facility identified in Paragraph 3.11 and 3.12 above, as that term is defined by WAC 173-303-040.

3.16. Respondent operates the Tacoma facility as a permitted dangerous waste storage and treatment facility pursuant to a Permit for the Storage and Treatment of Dangerous Waste (Permit No.: WAD 020257945) issued by the Washington State Department of Ecology to Respondent on March 13, 2012 with an effective date of March 22, 2012 (“the Tacoma Permit”).

3.17. Respondent operates the Kent facility as a permitted dangerous waste storage and treatment facility pursuant to a Permit for the Storage and Treatment of Dangerous Waste (Permit No.: WAD 991281767) issued by the Washington State Department of Ecology to Respondent, modified and effective July 2015 (“the Kent Permit”).

3.18. On or about April 4, 2017, EPA conducted a compliance evaluation inspection of the Tacoma facility pursuant to Section 3007 of RCRA, 42 U.S.C. § 6927.

3.19. On or about September 26, 2017 EPA sent an information request to Respondent pursuant to Section 3007 of RCRA, 42 U.S.C. § 6927, and Section 104(e) of the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. § 9604(e).

3.20. On or about October 26, 2017 Respondent provided a response to EPA’s information request for the Tacoma facility, which also included information regarding the Kent facility.

3.21. On or about February 15, 2018, EPA sent a Notice (“the Notice”) to Respondent alleging various violations of the state and federal financial responsibility regulations on expired annual policies running from 2012 through 2017 at the Tacoma facility including: 1) failing to provide the requisite coverage exclusive of legal defense costs; 2) excluding remediation costs from the prescribed coverage for property damage; 3) failing to provide for the requisite 60 day cancellation period in certain circumstances; and 4) failing to provide third-party liability insurance through the certification of closure of the facility. In subsequent correspondence, EPA noted that because the policies also provided coverage for Respondent’s Kent facility, identical concerns were raised about that location.

3.22 On or about September 24, 2018 the State of Washington provided Stericycle with written assurance of its intent not to pursue an enforcement action against Stericycle for possible violations of the State’s financial requirements concerning Stericycle’s 2012-2013, 2013-2014, 2014-2015, 2015-2016, and 2016-2017 liability policies for its Kent and Tacoma facilities.

VIOLATION

COUNT 1: Failure to Demonstrate Adequate Financial Responsibility

3.23. The allegations in Paragraphs 1 through 3.22 are realleged and incorporated herein by reference.

3.24. The Tacoma Permit at Section I, Subsection 17, Liability Requirements [which references WAC 173-303-806(4)(a)(xvii), 620(8) and (9)], requires that “Stericycle-Tacoma will demonstrate continuous compliance with the requirements of 40 C.F.R. § 264.147(a) to have and

maintain liability coverage for sudden accidental occurrences in the amount of at least \$1 million per occurrence, with an annual aggregate of at least \$2 million, exclusive of legal defense costs.”

3.25. The Kent Permit at Section I, Subsection 17, Liability Requirements [which references WAC 173-303-806(4)(a)(xvii), 620(8) and (9)], requires that “Stericycle will demonstrate continuous compliance with the requirements of 40 C.F.R. § 264.147(a) to have and maintain liability coverage for sudden accidental occurrences in the amount of at least \$1 million per occurrence, with an annual aggregate of at least \$2 million, exclusive of legal defense costs.”

3.26. The RCRA authorized regulation at WAC-173-303-620(8)(a) requires that the owner or operator must demonstrate financial responsibility for bodily injury and property damage to third parties caused by sudden accidental occurrences arising from operations of the facility or group of facilities. The owner or operator must have and maintain liability coverage for each facility in the amount of at least one million dollars per occurrence with an annual aggregate of at least two million dollars, exclusive of legal defense costs. Owners or operators must meet the requirements of 40 C.F.R. § 264.147(a), which is incorporated by reference.

3.27. The Stericycle insurance policies and policy periods in 3.28 through 3.32 below provided insurance coverage for both the Tacoma facility and the Kent facility.

3.28. EPA alleges that between December 1, 2012 and December 1, 2013, Respondent failed to demonstrate adequate financial responsibility exclusive of legal defense costs in Policy Number PPL G2058497A 010 for bodily injury and property damage to third parties caused by sudden accidental occurrences arising from operations of the Tacoma facility and the Kent

facility as required by their respective Permit Section I, Subsection 17 and WAC-173-303-620(8)(a).

3.29. EPA alleges that between December 1, 2013 and December 1, 2014, Respondent failed to demonstrate adequate financial responsibility exclusive of legal defense costs in Policy Number PPL G2058497A 011 for bodily injury and property damage to third parties caused by sudden accidental occurrences arising from operations of the Tacoma facility and the Kent facility as required by their respective Permit Section I, Subsection 17 and WAC-173-303-620(8)(a).

3.30. EPA alleges that between December 1, 2014 and December 1, 2015, Respondent failed to demonstrate adequate financial responsibility exclusive of legal defense costs in Policy Number PPL G27411307 001 for bodily injury and property damage to third parties caused by sudden accidental occurrences arising from operations of the Tacoma facility and the Kent facility as required by their respective Permit Section I, Subsection 17 and WAC-173-303-620(8)(a).

3.31. EPA alleges that between December 1, 2015 and December 1, 2016, Respondent failed to demonstrate adequate financial responsibility exclusive of legal defense costs in Policy Number PPL G27411307 002 for bodily injury and property damage to third parties caused by sudden accidental occurrences arising from operations of the Tacoma facility and the Kent facility through closure of the facility as required by their respective Permit Section I, Subsection 17, WAC-173-303-620(8)(a) and 40 C.F.R. § 264.147(e).

3.32. EPA alleges that between December 1, 2016 and December 1, 2017, Respondent failed to demonstrate adequate financial responsibility exclusive of legal defense costs in Policy Number PPL G27411307 003 for bodily injury and property damage to third parties caused by sudden accidental occurrences arising from operations of the Tacoma facility and the Kent facility through closure of the facility as required by their respective Permit Section I, Subsection 17, WAC-173-303-620 (8)(a) and 40 C.F.R. § 264.147(e).

3.33. Respondent's alleged failures to demonstrate adequate financial responsibility as required by the RCRA authorized regulation at WAC-173-303-620(8)(a) constituted separate violations of Tacoma Permit Section I, Subsection 17 and Kent Permit Section I, Subsection 17.

3.34. Under Section 3008(a) of RCRA, 42 U.S.C. § 6928(a), and 40 C.F.R. Part 19, EPA may assess a civil penalty of not more than \$37,500 per day of noncompliance for each violation of a requirement of Subtitle C of RCRA, issue an order requiring compliance, or both.

IV. TERMS OF SETTLEMENT

4.1. Respondent admits the jurisdictional allegations of this Consent Agreement.

4.2. Respondent neither admits nor denies the specific factual allegations contained in this Consent Agreement.

4.3. As required by Section 3008(a)(3) of RCRA, 42 U.S.C. § 6928(a)(3), EPA has taken into account the seriousness of the violation and any good faith efforts to comply with applicable requirements. After considering these factors, EPA has determined that an appropriate penalty to settle this action is one hundred and fifty thousand dollars (\$150,000), the "Assessed Penalty".

4.4. Respondent agrees to pay the Assessed Penalty within 30 days of the effective date of the Final Order.

4.5. Payments under this Consent Agreement and the Final Order may be paid by check (mail or overnight delivery), wire transfer, ACH, or online payment. Payment instructions are available at: <http://www2.epa.gov/financial/makepayment>. Payments made by a cashier's check or certified check must be payable to the order of "Treasurer, United States of America" and delivered to the following address:

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

Respondent must note on the check the title and docket number of this action.

4.6. Concurrently with payment, Respondent must serve photocopies of the check, or proof of other payment method, described in Paragraph 4.5 on the Regional Hearing Clerk and EPA Region 10 at the following addresses:

Regional Hearing Clerk
U.S. Environmental Protection Agency
Region 10, Mail Stop ORC-113
1200 Sixth Avenue, Suite 155
Seattle, Washington 98101
young.teresa@epa.gov

Kevin Schanilec
U.S. Environmental Protection Agency
Region 10, Mail Stop OCE-201
1200 Sixth Avenue, Suite 155
Seattle, Washington 98101
schanilec.kevin@epa.gov

4.7. If Respondent fails to pay any portion of the Assessed Penalty in full by its due date, the entire unpaid balance of the Assessed Penalty and accrued interest shall become immediately due and owing. If such a failure to pay occurs, Respondent may be subject to a civil action to collect any unpaid penalties, together with interest, handling charges, and nonpayment

penalties, as set forth below. In any collection action, the validity, amount, and appropriateness of the Assessed Penalty shall not be subject to review.

4.8. If Respondent fails to pay any portion of the Assessed Penalty by this Consent Agreement and the Final Order in full by its due date, Respondent shall also be responsible for payment of the following amounts:

4.8.1. Interest. Pursuant to 31 U.S.C. § 3717(a)(1), any unpaid portion of the Assessed Penalty shall bear interest at the rate established by the Secretary of the Treasury from the effective date of the Final Order attached hereto, provided, however, that no interest shall be payable on any portion of the Assessed Penalty that is paid within 30 days of the effective date of the Final Order attached hereto.

4.8.2. Handling Charge. Pursuant to 31 U.S.C. § 3717(e)(1), a monthly handling charge of \$15 shall be paid if any portion of the Assessed Penalty is more than 30 days past due.

4.8.3. Nonpayment Penalty. Pursuant to 31 U.S.C. § 3717(e)(2), a nonpayment penalty of 6% per annum shall be paid on any portion of the Assessed Penalty that is more than 90 days past due, which nonpayment shall be calculated as of the date the underlying penalty first becomes past due.

4.9. The Assessed Penalty represents an administrative civil penalty assessed by EPA and shall not be deductible for purposes of federal taxes.

4.10. The undersigned representative of Respondent certifies that he or she is authorized to enter into the terms and conditions of this Consent Agreement and to bind Respondent to this document.

4.11. The undersigned representative of Respondent also certifies that, as of the date of Respondent's signature of this Consent Agreement, Respondent has amended the current policy language to address the violation(s) alleged in Part III. EPA has determined that these amendments satisfactorily address the violations alleged in Part III of this Consent Agreement.

4.12. Except as described in Paragraph 4.8, each party shall bear its own costs and attorneys' fees in bringing or defending this action.

4.13. EPA agrees that the allegations contained in Part III represent all claims the agency will pursue related to Respondent maintaining its third-party financial responsibility for bodily injury and property damage for the time periods outlined in Part III for each of the policies listed in paragraphs 3.27-3.32 at the Tacoma facility and the Kent facility. For the purposes of this proceeding only, Respondent expressly waives any right to contest the allegations contained in this Consent Agreement and to appeal the Final Order.

4.14. The provisions of this Consent Agreement and the Final Order shall bind Respondent and its agents, servants, employees, successors, and assigns.

4.15. Respondent consents to the issuance of any specified compliance or corrective action order, to any conditions, and to any stated Permit Action, specified in the consent agreement for purposes of this proceeding.

4.16. The above provisions are STIPULATED AND AGREED upon by Respondent and EPA Region 10.

DATED:

November 6, 2018

FOR RESPONDENT:

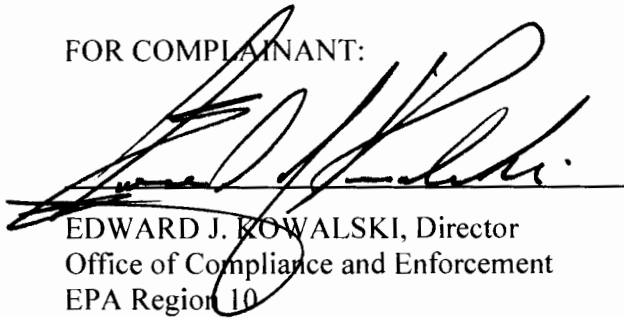


KURT ROGERS
Executive Vice President & General Counsel
Stericycle, Inc.

DATED:

11/28/2018

FOR COMPLAINANT:



EDWARD J. ROWALSKI, Director
Office of Compliance and Enforcement
EPA Region 10

BEFORE THE
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:)	DOCKET NO. RCRA-10-2019-0013
)	
Stericycle Environmental Solutions, Inc. and its subsidiary)	
Burlington Environmental, LLC)	FINAL ORDER
1701 East Alexander Avenue, Tacoma, Washington)	
)	
and)	
)	
Stericycle Environmental Solutions, Inc. and its subsidiary)	
Burlington Environmental, LLC)	
20245 77 th Avenue South Kent, Washington)	
)	
Respondent.)	

1.1. The Administrator has delegated the authority to issue this Final Order to the Regional Administrator of EPA Region 10, who has redelegated this authority to the Regional Judicial Officer in EPA Region 10.

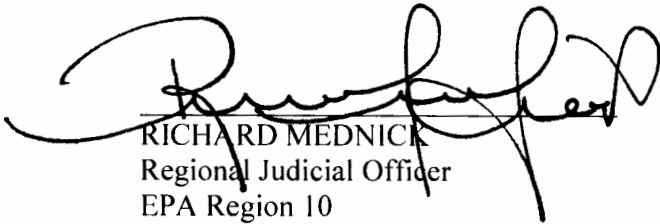
1.2. The terms of the foregoing Consent Agreement are ratified and incorporated by reference into this Final Order. Respondent is ordered to comply with the terms of settlement.

1.3. The Consent Agreement and this Final Order constitute a settlement by EPA of claims for civil penalties under RCRA for the violations alleged in this Consent Agreement. In accordance with 40 C.F.R. § 22.31(a), nothing in this Final Order shall affect the right of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law. This Final Order does not waive, extinguish, or otherwise affect

Respondent's obligations to comply with all applicable provisions of RCRA and regulations promulgated or permits issued thereunder.

1.4. This Final Order shall become effective upon filing with the Regional Hearing Clerk.

SO ORDERED this 11th day of December, 2018.



RICHARD MEDNICK
Regional Judicial Officer
EPA Region 10

Certificate of Service

The undersigned certifies that the original of the attached **CONSENT AGREEMENT AND FINAL ORDER, In the Matter of: Stericycle Environmental Solutions, Inc. and its subsidiary Burlington Environmental, LLC Docket No.: RCRA-10-2019-0013** 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:

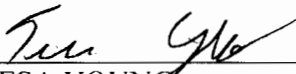
Negin Mostaghim
U.S. Environmental Protection Agency
Office of Civil Enforcement Mail Code 2249
1200 Pennsylvania Ave., N.W.
Washington D.C. 20460

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:

AMANDA J. METTS
VP & Assistant General Counsel
Stericycle, Inc.
28161 N. Keith Drive
Lake Forest, IL 60045

GWENDOLYN KEYES FLEMING
Counsel for Stericycle, Inc.
Van Ness Feldman, LLP
1050 Thomas Jefferson Street, NW, Suite 700
Washington, DC 20007

DATED this 12 day of December, 2018.



TERESA YOUNG
Regional Hearing Clerk
EPA Region 10