

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
Region 4

In the Matter of:

**AMVAC Chemical Corporation,**

Respondent.

Docket No. CAA-04-2021-0208(b)

**CONSENT AGREEMENT**

**I. NATURE OF ACTION**

1. This is an administrative penalty assessment proceeding brought under Section 113(d) of the Clean Air Act (“CAA” or the “Act”), 42 U.S.C. § 7413(d), and Sections 22.13(b) and 22.18 of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules), as codified at Title 40 of the Code of Federal Regulations (C.F.R.), Part 22.
2. This Consent Agreement and the attached Final Order shall collectively be referred to as the CAFO.
3. Having found that settlement is consistent with the provisions and objectives of the Act and applicable regulations, the Parties have agreed to settle this action pursuant to 40 C.F.R. § 22.18 and consent to the entry of this CAFO without adjudication of any issues of law or fact herein.

**II. PARTIES**

4. Complainant is Director of the Enforcement and Compliance Assurance Division, United States Environmental Protection Agency (“EPA”), Region 4, who has been delegated the authority on behalf of the Administrator of the United States Environmental Protection Agency (EPA) to enter into this CAFO pursuant to 40 C.F.R. Part 22 and Section 113(d) of the Act.
5. Respondent is **AMVAC Chemical**, a corporation doing business in the State of Alabama. This proceeding pertains to Respondent’s facility located at 12650 Highway 43 N, Axis, Alabama 36505 (Facility).

### III. GOVERNING LAW

6. Any person who violates Section 112(r) of the CAA, 42 U.S.C. § 7412(r), or rule promulgated thereunder, may be assessed a civil penalty pursuant to Section 113(d) of the Act, 42 U.S.C. § 7413(d), and 40 C.F.R. Part 19. Each day a violation continues may constitute a separate violation. Civil penalties under Section 113(d) of the Act, 42 U.S.C. § 7413(d), may be assessed by an administrative order.
7. Section 112(r) of the Act 42 U.S.C. § 7412(r), addresses the prevention of release of substances listed pursuant to Section 112(r)(3) of the Act, 42 U.S.C. § 7412(r)(3), and other extremely hazardous substances. The purpose of this section is to prevent the accidental release of extremely hazardous substances and to minimize the consequences of such releases. Pursuant to Section 112(r)(7) of the Act, 42 U.S.C. § 7412(r)(7), the EPA is authorized to promulgate regulations for accidental release prevention.
8. Pursuant to Sections 112(r)(3) and 112(r)(7) of the Act, 42 U.S.C. §§ 7412(r)(3) and 7412(r)(7), the EPA promulgated rules codified at 40 C.F.R. Part 68, Chemical Accident Prevention Provisions. These regulations are collectively referred to as the “Risk Management Program” (RMProgram) and apply to an owner or operator of a stationary source that has a threshold quantity of a regulated substance in a process. Pursuant to Sections 112(r)(3) and 112(r)(5) of the Act, 42 U.S.C. §§ 7412(r)(3) and 7412(r)(5), the list of regulated substances and threshold levels are codified at 40 C.F.R. § 68.130.
9. Pursuant to Section 112(r)(7)(B)(iii) of the Act, 42 U.S.C. § 7412(r)(7)(B)(iii), and 40 C.F.R. §§ 68.10 and 68.150, the owner or operator of a stationary source that has a regulated substance in an amount equal to or in excess of the applicable RMProgram threshold in a “process” as defined in 40 C.F.R. § 68.3, must develop an RMProgram accidental release prevention program, and submit and register a single Risk Management Plan (RMPlan) to the EPA.
10. EPA and the United States Department of Justice jointly determined that this matter, although it involves alleged violations that occurred more than one year before the initiation of this proceeding, is appropriate for an administrative penalty assessment. 42 U.S.C. § 7413(d); 40 C.F.R. § 19.4.

### IV. FINDINGS OF FACTS

11. Respondent is the owner and/or operator of the Facility, which is a “stationary source” as that term is defined by Section 112(r)(2)(C) of the Act, 42 U.S.C. § 7412(r)(2)(C).
12. Respondent has registered an RMPlan with the EPA for its Facility and has developed an RMProgram accidental release prevention program for the Facility.
13. On January 28, 2019, the EPA issued to Respondent a Notice of Potential Violation and Opportunity to Show Cause (“NOPV”), providing notice that the EPA found that Respondent potentially committed the alleged violations described in Section V of this Agreement and providing Respondent an opportunity to confer with the EPA. On March 26, 2019, Respondent responded to EPA’s NOPV with a letter and submission of relevant company documents in advance of a meeting between the parties. On January 6, 2021, representatives of Respondent and the EPA held a meeting to discuss the NOPV.

14. At its Facility:

- a. Respondent operates an agricultural pesticides manufacturing plant.
- b. Respondent's RMPlan indicates that Respondent has on-site for use 104,000 pounds of bromine, 24,000 pounds of chlorine, 132,000 pounds of phosphorous trichloride, 160,000 pounds of methylamine, 46,000 pounds of isopropylamine, and 315,000 pounds of carbon disulfide.
- c. Respondent's RMPlan indicates that Respondent has seven RMProgram level 3 covered processes, which collectively store or otherwise use six RMP-regulated substance, bromine (10,000), chlorine (2,500), phosphorous trichloride (15,000), methylamine (10,000), isopropylamine (10,000) and carbon disulfide (20,000) in amounts exceeding their applicable threshold in pounds as indicated in parentheses.

15. From July 30, 2018 through August 3, 2018, the EPA conducted an on-site inspection of the RMProgram related records and equipment for the purpose of assessing the Respondent's compliance with the RMProgram requirements and the implemented recognized and generally accepted good engineering practices (RAGAGEP) for its covered process at its Facility.

16. At the time of the inspection, EPA observed the following:

- a. EPA inspectors requested the offsite consequence documentation for the facility. EPA evaluated the "Results of Consequence Analysis", Scenario Summary dated September 12, 2016 ("RMP\*Comp") which indicated that the Respondent listed phosphorous trichloride as the toxic substance that was estimated to create the greatest distance to a toxic end point which could result from a toxic release. However, both bromine and carbon disulfide have greater distances to toxic end points. Thus, the Respondent failed to analyze and report in the RMPlan, the worst-case scenario that is estimated to create the greatest distance for toxic substances.
- b. In its RMPlan, the Respondent provided documentation of the RMP\*COMP which included an analysis for phosphorus trichloride. However, there was no rationale or narrative for choosing phosphorous trichloride in the worse-case scenario analysis as opposed to bromine, carbon disulfide or chlorine.
- c. In its RMPlan, the Respondent provided documentation of the RMP\*COMP which included an analysis for phosphorus trichloride. However, there was no rationale or narrative for choosing phosphorous trichloride in the alternative worst-case scenario analysis as opposed to bromine, carbon disulfide or chlorine.
- d. The Respondent's Process Hazard Analysis (PHA) revalidation conducted from May 9, 2018, through June 7, 2018, did not contain a written schedule of when PHA recommendations would be completed and a description of the necessary steps to complete the recommendations.

- e. During the inspection, EPA requested inspection procedures and records for process vessels, piping and pressure safety valves. The Respondent's inspection frequencies for all these inspections were less frequent than recommended in the American Petroleum Institute recommended practices.
- f. The Respondent failed to document the bi-weekly inspection and test that was performed on the bromine monitors.
- g. During a review of the Management of Change (MOC) records, EPA found that a Process and instrumentation diagram (P&ID) for MOC 2017-159 was not properly updated before the MOC was marked completed in November 2017. A redline P&ID was included in the MOC, but at the time of the inspection, the official P&ID was not updated in the Respondent's MOC tracking system.

## V. ALLEGED VIOLATIONS

17. Respondent is a "person" as defined in Section 302(e) of the Act, 42 U.S.C. § 7602(e).
18. Based on EPA's compliance monitoring investigation, the EPA alleges that the Respondent violated 40 C.F.R. Part 68, the codified rules governing the Act's Chemical Accident Prevention Provisions and Section 112(r) of the Act, 42 U.S.C. § 7412(r), when it:
- a. Failed to analyze and report in the Risk Management Plan one worst-case release scenario that is estimated to create the greatest distance in any direction to an end-point provided in Appendix A for 40 C.F.R. § 68 resulting from an accidental release of regulated toxic substances from covered process under worst-case conditions defined in 40 C.F.R. § 68.22, as required by 40 C.F.R. § 68.25(a)(2)(i);
  - b. Failed to maintain records on the worst-case scenario portion of the offsite consequence analyses including a description of the vessel or pipeline and substance selected as worst-case; assumptions and parameters used; and the rationale for the selection of specific scenarios, as required by 40 C.F.R. § 68.39(a);
  - c. Failed to maintain records on the alternative release scenario portion of the offsite consequence analyses, including a description of the scenarios identified, assumptions and parameters used, and the rationale for the selection of specific scenarios, as required by 40 C.F.R. § 68.39(b);
  - d. Failed to establish a system to promptly address the team's findings and recommendations; assure that the recommendations are resolved in a timely manner and that the resolution is documented; document what actions are to be taken; complete actions as soon as possible; develop a written schedule of when these actions are to be completed; and communicate the actions to operating, maintenance and other employees whose work assignments are in the process and who may be affected by the recommendations or actions, as required by 40 C.F.R. § 68.67(e);

- e. Failed to ensure that the frequency of inspection and testing of process equipment followed good engineering practices as required by 40 C.F.R. §68.73(d)(3);
- f. Failed to document that each inspection and test has been performed on process equipment (bromine sensors) as required by 40 C.F.R. §68.73(d)(4); and,
- g. Failed to establish and implement written procedures to manage changes (except for “replacements in kind”) to process chemicals, technology, equipment, and procedures; and changes to stationary sources that affect a covered process, as required by 40 C.F.R. §68.75(a).

## VI. STIPULATIONS

19. The issuance of this CAFO simultaneously commences and concludes this proceeding. 40 C.F.R. § 22.13(b).

20. For the purpose of this proceeding, as required by 40 C.F.R. § 22.18(b)(2), Respondent:

- a. admits that EPA has jurisdiction over the subject matter alleged in this CAFO;
- b. neither admits nor denies the factual allegations set forth in Section IV (Findings of Facts) of this CAFO;
- c. consents to the assessment of a civil penalty as stated below.;
- d. consents to the conditions specified in this CAFO;
- e. waives any right to contest the allegations set forth in Section V (Alleged Violations) of this CAFO; and
- f. waives its rights to appeal the Final Order accompanying this CAFO.

21. For the purpose of this proceeding, Respondent:

- a. agrees that this CAFO states a claim upon which relief may be granted against Respondent;
- b. acknowledges that this CAFO constitutes an enforcement action for purposes of considering Respondent’s compliance history in any subsequent enforcement actions;
- c. waives any rights it may possess at law or in equity to challenge the authority of EPA to bring a civil action in a United States District Court to compel compliance with the CAFO, and to seek an additional penalty for such noncompliance, and agrees that federal law shall govern in any such civil action;

- d. by executing this CAFO, certifies to the best of its knowledge that all violations alleged herein, which are neither admitted nor denied, have been corrected/addressed;
  - e. waives any right it may have pursuant to 40 C.F.R. § 22.8 to be present during any discussions with, or to be served with and reply to, any memorandum or communication addressed to EPA officials where the purpose of such discussion, memorandum, or communication is to persuade such official to accept and issue this CAFO; and,
  - f. agrees to comply with the terms of this CAFO.
22. In accordance with 40 C.F.R. § 22.5, the individuals named in the certificate of service are authorized to receive service related to this proceeding and the parties agree to receive service by electronic means.

## VII. TERMS OF PAYMENT

23. Respondent consents to the payment of a civil penalty, which was calculated in accordance with the Act, in the amount of **EIGHTY-SEVEN THOUSAND EIGHT HUNDRED EIGHTY-FOUR DOLLARS (\$87,884.00)**, which is to be paid within thirty (30) calendar days of the Effective Date of this CAFO.
24. Payment(s) shall be made by cashier's check, certified check, by electronic funds transfer (EFT), or by Automated Clearing House (ACH) (also known as REX or remittance express). If paying by check, the check shall be payable to: Treasurer, United States of America, and the Facility name and docket number for this matter shall be referenced on the face of the check. If Respondent sends payment by the U.S. Postal Service, the payment shall be addressed to:

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

If Respondent sends payment by non-U.S. Postal express mail delivery, the payment shall be sent to:

U.S. Bank  
Government Lockbox 979077  
U.S. EPA Fines & Penalties  
1005 Convention Plaza  
Mail Station: SL-MO-C2-GL  
St. Louis, Missouri 63101  
Contact Number: (314) 425-1819

If paying by EFT, Respondent shall transfer the payment to:

Federal Reserve Bank of New York

ABA: 021030004  
Account Number: 68010727  
SWIFT address: FRNYUS33  
33 Liberty Street  
New York, New York 10045  
Field Tag 4200 of the Fedwire message should read:  
“D 68010727 Environmental Protection Agency”

If paying by ACH, Respondent shall remit payment to:

US Treasury REX / Cashlink ACH Receiver  
ABA: 051036706  
Account Number: 310006, Environmental Protection Agency  
CTX Format Transaction Code 22 – checking  
Physical location of US Treasury facility:  
5700 Rivertech Court  
Riverdale, Maryland 20737  
Contact: John Schmid, (202) 874-7026  
REX (Remittance Express): 1-866-234-5681

25. Respondent shall send proof of payment, within 24 hours of payment of the civil penalty, to:

Regional Hearing Clerk  
U.S. EPA Region 4  
61 Forsyth Street, S.W.  
Atlanta, Georgia 30303-8960  
R4\_Regional\_Hearing\_Clerk@epa.gov

and

Om P. Devkota  
Air Enforcement Branch  
Enforcement and Compliance Assurance Division  
U.S. EPA Region 4  
61 Forsyth Street, S.W.  
Atlanta, Georgia 30303-8960  
Devkota.om@epa.gov

26. “Proof of payment” means, as applicable, a copy of the check, confirmation of credit card or debit card payment, 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 Facility name and Docket No. CAA-04-2021-0208(b).

27. Pursuant to 42 U.S.C. § 7413(d)(5), if Respondent fails to timely pay any portion of the penalty assessed under this CAFO, EPA may recover in addition to the amount of the unpaid penalty assessed, the following amounts on any amount overdue:

- a. Interest. Interest will begin to accrue on the civil penalty from the Effective Date of this CAFO. If the civil penalty is paid within 30 days of the Effective Date of

this CAFO, Interest is waived. However, if the civil penalty is not paid in full within 30 days of the Effective Date of this CAFO, Interest will continue to accrue on any unpaid portion until the unpaid portion of the civil penalty and accrued Interest are paid. Interest will be assessed at rates established pursuant to 26 U.S.C. § 6621(a)(2).

- b. Non-Payment Penalty. A 10 percent quarterly nonpayment penalty pursuant to 42 U.S.C. § 7413(d)(5).
- c. Attorneys' Fees and Costs of Collection. The United States enforcement expenses, including, but not limited to, attorneys' fees and cost of collection.

28. If Respondent fails to timely pay any portion of the penalty assessed under this CAFO, EPA may:

- 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 to, or held by the United States for, a person to satisfy the debt the person owes the Government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, 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 EPA or engaging in programs EPA sponsors or funds, 40 C.F.R. § 13.17; and/or
- d. Request that the Attorney General bring a civil action in the appropriate district court to recover the amount assessed, in addition to the amounts described above, pursuant to 42 U.S.C. § 7413(d)(5). In any such action, the validity, amount, and appropriateness of the penalty and of this CAFO shall not be subject to review.

29. Penalties paid pursuant to this CAFO shall not be deductible for purposes of federal taxes.

### **VIII. EFFECT OF CAFO**

30. In accordance with 40 C.F.R. § 22.18(c), Respondent's full compliance with this CAFO shall only resolve Respondent's liability for federal civil penalties for the violations and facts specifically alleged above.

31. Full payment of the civil penalty, as provided in Section VII (Terms of Payment), shall not in any case 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. 40 C.F.R. § 22.18(c).

32. Any violation of this CAFO may result in a civil judicial action for civil penalties as provided in Section 113(b) of the Act, 42 U.S.C. § 7413(b), as well as criminal sanctions as provided in Section 113(c) of the Act, 42 U.S.C. § 7413(c). EPA may use any information submitted under this CAFO in an administrative, civil judicial, or criminal action.



33. Nothing in this CAFO shall relieve Respondent of the duty to comply with all applicable provisions of the Act and other federal, state, or local laws or statutes, nor shall it restrict 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, except as expressly provided herein.
34. Nothing herein shall be construed to limit the power of EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment as provided under the Act.
35. The terms, conditions, and compliance requirements of this CAFO may not be modified or amended except upon the written agreement of both Parties, and approval of the Regional Judicial Officer.
36. The provisions of this CAFO shall apply to and be binding upon Respondent and its officers, directors, employees, agents, trustees, authorized representatives, successors, and assigns.
37. Any change in the legal status of the Respondent, or change in ownership, partnership, corporate or legal status relating to the Facility, will not in any way alter Respondent's obligations and responsibilities under this CAFO.
38. By signing this Consent Agreement, Respondent acknowledges that this CAFO will be available to the public and agrees that this CAFO does not contain any confidential business information or personally identifiable information.
39. By signing this Consent Agreement, the Complainant and the undersigned representative of Respondent each certify that he or she is fully authorized to execute and enter into the terms and conditions of this CAFO and has the legal capacity to bind the party he or she represents to this CAFO.
40. By signing this Consent Agreement, both Parties agree that each party's obligations under this CAFO constitute sufficient consideration for the other party's obligations.
41. By signing this Consent Agreement, Respondent certifies that to the best of its knowledge, the information it has supplied concerning this matter was at the time of submission, and continues to be, 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.
42. EPA also reserves the right to revoke this CAFO and settlement penalty if and to the extent that EPA finds, after signing this CAFO, that any information provided by Respondent was materially false or inaccurate at the time such information was provided to EPA. If such false or inaccurate material was provided, EPA reserves the right to assess and collect any and all civil penalties for any violation described herein. EPA shall give Respondent notice of its intent to revoke, which shall not be effective until received by Respondent in writing.
43. It is the intent of the parties that the provisions of this CAFO are severable. If any provision or authority of this CAFO or the application of this CAFO to any party or circumstances is held by any judicial or administrative authority to be invalid or unenforceable, the application of such

provisions to other parties or circumstances and the remainder of the CAFO shall remain in force and shall not be affected thereby.

44. Unless specifically stated otherwise in this CAFO, each party shall bear its own attorney's fees, costs, and disbursements incurred in this proceeding.

#### **IX. EFFECTIVE DATE**

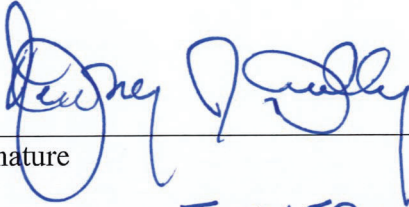
45. This CAFO shall become effective after execution of the Final Order by the Regional Judicial Officer, on the date of filing with the Hearing Clerk.

**Remainder of Page Intentionally Left Blank**

**Complainant and Respondent will Each Sign on Separate Pages**

The foregoing Consent Agreement In the Matter of **AMVAC Chemical Corporation**, Docket No.CAA-04-2021-0208(b), is Hereby Stipulated, Agreed, and Approved for Entry.

FOR RESPONDENT:



August 25, 2021

Signature

Date

Printed Name:

TIMOTHY J DONNELLY

Title:

CAO, General Counsel & Secretary

Address:

4695 MacArthur Ct, 12th fl, Newport Beach, CA 92660

The foregoing Consent Agreement In the Matter of **AMVAC Chemical Corporation**, Docket No. CAA-04-2021-0208(b), is Hereby Stipulated, Agreed, and Approved for Entry.

FOR COMPLAINANT:

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Carol L. Kemker  
Director  
Enforcement and Compliance Assurance Division  
U.S. Environmental Protection Agency, Region 4

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4

In the Matter of:

**AMVAC Chemical Corporation,**

Respondent.

Docket No. CAA-04-2021-0208(b)

FINAL ORDER

The Regional Judicial Officer is authorized to ratify this Consent Agreement which memorializes a settlement between Complainant and Respondent. 40 C.F.R. §§ 22.4(b) and 22.18(b)(3). The foregoing Consent Agreement is, therefore, hereby approved, ratified and incorporated by reference into this Final Order in accordance with the *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 Respondent is hereby ORDERED to comply with all of the terms of the foregoing Consent Agreement effective immediately upon filing of this Consent Agreement and Final Order with the Regional Hearing Clerk. This Final Order disposes of this matter pursuant to 40 C.F.R. §§ 22.18 and 22.31.

**BEING AGREED, IT IS SO ORDERED.**

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Tanya Floyd  
Regional Judicial Officer

## CERTIFICATE OF SERVICE

I certify that the foregoing Consent Agreement and Final Order, in the Matter of **AMVAC Chemical Corporation**, Docket No. CAA-04-2021-0208(b), were filed and copies of the same were emailed to the parties as indicated below.

**Via email to all parties at the following email addresses:**

To Respondent:

C. Max Zygmunt, Partner, Environmental & Energy Law  
Kazmarek Mowrey Cloud Laseter Law  
Email: [mzygmunt@kmcllaw.com](mailto:mzygmunt@kmcllaw.com)  
Phone number: (404)-969-0747  
1230 Peachtree Street, N.E. Suite 900  
Atlanta, Georgia 30309

Mr. Timothy J. Donnelly, CAO, General Counsel & Secretary  
AMVAC Chemical Corporation  
[Email: timd@AMVAC.com](mailto:timd@AMVAC.com)  
Phone number: (949) 221-6115  
4695 MacArthur Court, Suite 1200  
Newport Beach, California 92660

To EPA:

Om P. Devkota, Case Development Officer  
[Devkota.om@epa.gov](mailto:Devkota.om@epa.gov)  
Phone number: (404) 562-8963

Ellen Rouch, Associate Regional Counsel  
[Rouch.ellen@epa.gov](mailto:Rouch.ellen@epa.gov)  
Phone number: (404) 562-9575

U.S. EPA Region 4  
61 Forsyth Street, S.W.  
Atlanta, Georgia 30303-8960

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Shannon L. Richardson, Regional Hearing Clerk  
U.S. EPA Region 4  
61 Forsyth Street, S.W.  
Atlanta, Georgia 30303-8960