

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**REGION 4****EXPEDITED SETTLEMENT AGREEMENT****DOCKET NO: CAA-04-2023-0200(b)**

**This ESA is issued to: AlaTrade Foods, Inc.
725 Blount Ave.
Guntersville, AL 35976**

for violating 40 C.F.R. § 68.65(d)(2), 40 C.F.R. § 68.67(e), 40 C.F.R. § 68.79(d), and 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, Region 4, Director of the Enforcement and Compliance Assurance Division (Complainant), and by AlaTrade Foods, Inc. (Respondent), pursuant to Section 113(d) of the Clean Air Act (the "Act"), 42 U.S.C. § 7413(d), and pursuant to 40 C.F.R. §§ 22.13(b) and 22.18(b)(2).

ALLEGED VIOLATIONS

Based on a compliance monitoring inspection conducted at the Respondent's facility located at 6 Downing Drive, Phenix City, Alabama 36869 on March 3, 2022, the EPA alleges that the Respondent violated the Act's Section 112(r)(7), Chemical Accident Prevention Provisions, 42 U.S.C. § 7412(r)(7), when at the time of inspection, Respondent did not provide evidence that:

1. It ensured that its equipment complies with recognized and generally accepted good engineering practices (RAGAGEP), as required by 40 C.F.R. § 68.65(d)(2) when,
 - a. Neither of the two (2) egress doors at the machinery room were equipped with panic hardware to facilitate exit in case of emergency as required by the International Institute of Ammonia Refrigeration (IIAR) Standard 2, Section 6.10.2 and Standard 9, Section 7.3.9.2, which states "Machinery room doors shall be self-closing and tight fitting. Doors that are part of the means of egress shall be equipped with panic hardware and shall be side hinged to swing in the direction of egress for occupants leaving the machinery room. Where the machinery room is not provided with fire sprinklers, doors communicating with the building interior shall be one-hour fire-rated. Doors to the outdoors shall be fire rated where required by the Building Code based on the fire rating required for exterior wall openings."
 - b. Flammable materials/liquids outside of approved fire-rated containers were stored in the engine/machinery room which is inconsistent with the requirement of the American National Standards Institute (ANSI)/IIAR Standard 2, Section 6.4, which

states “Combustible materials or flammable liquids shall not be stored in machinery rooms outside of approved fire-rated storage containers.”

- c. Surface corrosion/rusting was observed present on piping and stop valves near the C-1/ C-2 compressors and piping connecting the “King valve.” In addition, piping, valve casing and valve stems around the “Main Pumped Liquid Valve” appeared to have significant surface corrosion/rusting, which is inconsistent with the requirement of IIAR Standard 6, Section 11.1.1, which states “Where pitting, surface damage, general corrosion, or a combination thereof, is visually observed on a metal surface of the piping, deficient areas shall be further evaluated per Sections 11.1.1.1 – 11.1.1.3,” which then require the owner to take a variety of corrective actions depending on the severity of the damage.
- d. The anhydrous ammonia system/process equipment outdoors did not have adequate safety barriers or measures that would prevent potential vehicular or accidental damage or rupture to the ammonia system by external sources, as required by The American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) 15-1994 Section 11.1, which states “Means shall be taken to adequately safeguard piping, controls, and other refrigerating equipment to minimize possible accidental damage or rupture by external sources” and ANSI/IIAR 2-2014 Section 7.2.4, which states “Equipment shall be protected where a risk of physical damage exists. Where equipment containing ammonia is located in an area with heavy vehicular traffic during normal operations and a risk of impact exists, vehicle barriers or alternative protection shall be provided in accordance with the Fire Code.”
- e. The anhydrous ammonia system contains more than 110 pounds of refrigerant, but one valve did not contain a valve identification tag as required in accordance with ANSI/ASHRAE 15-2016, 11.2.2, which states “systems containing more than 110 pounds (50 kg) of refrigerant shall be provided with durable signs having letters not less than 0.5 inch (12.7 mm) in height designating valves or switches for controlling the refrigerant flow.”
- f. Heavy ice build-up was observed below the “Main Pumped Liquid Valve” and the piping in the vicinity, which is inconsistent with the requirement of IIAR 6-2019, 5.6.8, which states “Equipment and piping shall be kept free from excessive ice buildup.”
- g. Inspectors observed a hole in the insulation on a piece of ammonia system piping/equipment that was left exposed to the environment which is inconsistent with the requirement of IIAR 6-2019, 11.1.2, which states “For insulated piping, where insulation is removed, partly or completely, for visual inspection or remaining wall thickness measurement(s), a protective coating shall be applied to the exposed metal surface and insulation shall be replaced in accordance with the manufacturer’s installation instructions after arresting any identified exposed piping metal surface corrosion.”

2. It established a system to promptly address the team's findings and recommendations from the 2020 Process Hazard Analysis (PHA); to assure that the recommendations are resolved in a timely manner and that the resolution is documented; to document what actions are to be taken; to complete actions as soon as possible; to develop a written schedule of when these actions are to be completed; and to 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), when no record or documentation was presented that would illustrate the status of the 2020 PHA recommendations.
3. It promptly determined and documented an appropriate response to each of the findings of the 2021 RMP compliance audit, and that documented deficiencies were corrected, as required by 40 C.F.R. § 68.79(d), when Respondent was unable to provide such documentation responding to the findings and deficiencies identified by the 2021 RMP compliance audit.

SETTLEMENT

In consideration of Respondent's size, its full compliance history, its good faith efforts 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 cited above, for the total penalty amount of **\$3,300.00**.

This settlement is subject to the following terms and conditions: the Respondent by signing below admits the jurisdictional allegations contained herein, neither admits nor denies the specific factual allegations contained herein, 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 and Final Order or otherwise contest the allegations contained in this ESA; and each party to this action shall bear its own costs and fees, if any.

Respondent certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that the Respondent has corrected the alleged violations listed in this ESA.

Within **fifteen (15) days** of receiving a copy of the fully executed ESA, Respondent shall pay a civil penalty in the amount of **\$3,300.00**. Payment 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 Respondent's name and the Docket Number of this ESA must be included on the face of the check.**

If Respondent sends payment by the U.S. Postal Service, the payment shall be addressed to:

U.S. Environmental Protection Agency
P.O. Box 979078
St. Louis, MO 63197-9000

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

U.S. Environmental Protection Agency
Government Lockbox 979078
1005 Convention Plaza
SL-MO-C2-GL
St. Louis, MO 63101

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
Beneficiary: 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, MD 20737
Remittance Express (REX): 1-866-234-5681

At the time of payment, Respondent shall send a separate copy of the check, and a written statement that payment has been made in accordance with this ESA to:

Regional Hearing Clerk
R4_Regional_Hearing_Clerk@epa.gov

and

Chetan Gala
Case Development Officer
Gala.Chetan@epa.gov

The penalty specified in this ESA shall represent civil penalties assessed by the EPA and shall not be deductible for purposes of State or Federal taxes.

Respondent's full compliance with this ESA shall only resolve Respondent's liability for Federal civil penalties for the violations alleged in this ESA. The EPA does not waive any other enforcement action for any other violations of the Act or any other statute.

This ESA is binding on the parties signing below. This ESA is effective upon filing with the Regional Hearing Clerk.

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.

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FOR RESPONDENT:

Signature: John Pittard

Date: 7/14/2023

Name (print): John Pittard

Title (print): President / CEO

FOR COMPLAINANT:

for

Keriema S. Newman
Acting Director
Enforcement and Compliance Assurance Division

FINAL ORDER

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

Tanya Floyd
Regional Judicial Officer

CERTIFICATE OF SERVICE

I certify that the foregoing Expedited Settlement Agreement and Final Order in the Matter of AlaTrade Foods, Inc. Docket No. CAA-04-2023-0200(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: John Pittard
President
AlaTrade Foods, Inc.
jpittard@alatrade.com
Phone Number: (256) 438-1875

To EPA: Chetan Gala, Case Development Officer
Gala.Chetan@epa.gov
Phone Number: (404) 562-9746

Marirose Pratt, Associate Regional Counsel
Pratt.Marirose@epa.gov
Phone Number: (404) 562-9023

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