



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

TIDEWATER REGIONAL OFFICE

5636 Southern Boulevard, Virginia Beach, Virginia 23462

(757) 518-2000 Fax (757) 518-2009

www.deq.virginia.gov

Doug Domenech
Secretary of Natural Resources

David K. Paylor
Director

Francis L. Daniel
Regional Director

**STATE AIR POLLUTION CONTROL BOARD
ENFORCEMENT ACTION - ORDER BY CONSENT
ISSUED TO
ROYAL FUMIGATION INC.
FOR
ROYAL FUMIGATION SUFFOLK**

Registration No. 61579

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code §§ 10.1-1309 and 1316, between the State Air Pollution Control Board and Royal Fumigation Inc regarding the Royal Fumigation Suffolk facility, for the purpose of resolving certain violations of the Virginia Air Pollution Control Law and the and regulations.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned to them below:

1. "Board" means the State Air Pollution Control Board, a permanent citizens' board of the Commonwealth of Virginia, as described in Va. Code §§ 10.1-1184 and -1301.
2. "Case-by-case MACT determination" means a determination by the Board, pursuant to the requirements of Article 7 (9 VAC 5-80-1400 *et seq.*), which establishes a MACT emission limitation, MACT work practice standard, or other MACT requirements for a stationary source subject to Article 7 (9 VAC 5-80-1400 *et seq.*).
3. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia, as described in Va. Code § 10.1-1183.
4. "Director" means the Director of the Department of Environmental Quality, as described in Va. Code § 10.1-1185.

5. "EPA" means the United States Environmental Protection Agency.
6. "Facility" means the Royal Fumigation Inc facility located at 520 Finney Av in Suffolk, Virginia. The facility uses methyl bromide (aka bromomethane, CAS #74839), an EPA listed hazardous air pollutant ("HAP"), as the main fumigation agent for various products, including wood, logs, and other commodities.
7. "Federal operating permit" means a permit issued under Article 1 (9 VAC 5-80-50 et seq.) of Part II of 9 VAC 5 Chapter 80.
8. "Hazardous Air Pollutant" or "HAP" means any air pollutant listed in § 112(b) of the federal Clean Air Act as amended by 40 CFR 63.
9. "MACT" or "Maximum achievable control technology emission limitation for new sources" means the emission limitation which is not less stringent than the emission limitation achieved in practice by the best controlled similar source, and which reflects the maximum degree of deduction in emissions that the permitting authority, taking into consideration the cost of achieving such emission reduction, and any non-air quality health and environmental impacts and energy requirements, determines is achievable by the constructed or reconstructed major source.
10. "Major new source review permit" or "Major NSR permit" means a permit issued under the major new source review program
11. "Major source" means any stationary source or group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit considering controls, in the aggregate, 10 tons per year or more of any hazardous air pollutant or 25 tons per year or more of any combination of hazardous air pollutants, unless the board establishes a lesser quantity, or in the case of radionuclides, different criteria from those specified in this definition.
12. "Notice of Violation" or "NOV" means a type of Notice of Alleged Violation under Va. Code § 10.1-1309.
13. "Order" means this document, also known as a "Consent Order" or "Order by Consent," a type of Special Order under the Virginia Air Pollution Control Law.
14. "Regulations" or "Regulations for the Control and Abatement of Air Pollution" mean 9 VAC 5 chapters 10 through 80.
15. "Royal" means Royal Fumigation Inc, a corporation authorized to do business in Virginia and its affiliates, partners, subsidiaries, and parents. Royal is a "person" within the meaning of Va. Code § 10.1-1300.
16. "TRO" means the Tidewater Regional Office of DEQ, located in Virginia Beach, Virginia
17. "Va. Code" means the Code of Virginia (1950), as amended.
18. "VAC" means the Virginia Administrative Code.

19. "Virginia Air Pollution Control Law" means Chapter 13 (§ 10.1-1300 *et seq.*) of Title 10.1 of the Va. Code.

SECTION C: Findings of Fact and Conclusions of Law

1. Royal owns and operates the Facility in Suffolk, Virginia. The facility uses methyl bromide (aka bromomethane, CAS #74839), an EPA listed hazardous air pollutant ("HAP"), as the main fumigation agent for various products, including wood, logs, and other commodities.
2. On April 16, 2009, DEQ staff conducted a Partial Compliance Evaluation of the Facility for compliance with Virginia Air Pollution Control Law and the Regulations. Based upon the inspection and follow-up information, Department staff made the following observation:

DEQ staff observed that fumigation using hazardous air pollutant methyl bromide is performed on-site, in a building, in containers or under tarps. According to Royal, the Facility began operating in September 2006.
3. A Request for Corrective Action was issued during the inspection for Royal to submit a "Form 7" Application to DEQ for Virginia air permit applicability review.
4. On August 6, 2009, DEQ received a Form 7 Application from Royal for the Facility. Subsequent information provided to DEQ air permitting indicated that the Facility is a major source of the HAP methyl bromide, requiring Royal to obtain an Article 1 - Federal Operating Permit(9 VAC 5-80-50 *et seq.*) and an Article 7 - Major New Source Review Permit (9 VAC 5-80-1400 *et seq.*) for the Facility.
5. DEQ staff met with Royal on November 30, 2009, at which time Royal confirmed that the facility was a major source of the HAP methyl bromide.
6. As a major source of a HAP, Royal is subject to the MACT air toxic regulatory program, and will be required to conduct for the facility a case-by-case MACT determination as required by Section 112G of the 1970 Clean Air Act (42 USC §7401 *et seq.*).
7. 9 VAC 5-80-1420(A) states that "No owner or other person shall begin actual construction or reconstruction of any major source of hazardous air pollutants without first obtaining from the board a permit to construct and operate or to reconstruct and operate such source."
8. A review of DEQ files did not find notifications from Royal regarding the dates of construction, anticipated startup, or actual startup of the Facility.
9. 9 VAC 5-50-50(A) states that "Any owner of a new or modified source subject to the provisions of this chapter shall provide written notifications to the board of: 1) the date of commencement of construction, reconstruction or modification of a new or modified source postmarked no later than 30 days after such date; 2) the anticipated date of initial startup of a new or modified source postmarked not more than 60 days nor less than 30 days prior to such date; and 3) the actual date of initial startup of a new or modified source postmarked within 15 days after such date."

10. A review of DEQ files did not find a Form 805 Application for the Facility.
11. 9 VAC 5-80-80(B) and 9 VAC 5-80-80(C).2 states that “For each stationary source, the owner shall submit a timely and complete application permit application in accordance with subsections C and D.” and “The owner of a source subject to the new source review program shall file a complete application to obtain a permit or permit revision within 12 months after commencing operation.”
12. On December 21, 2009, based upon the inspection, Form 7 air permit application, and subsequent information, the DEQ issued a NOV to Royal for the violations described in paragraphs C.2 through C.10 above.
13. On January 14, 2010, Royal submitted a written response to the NOV.
14. Based on the results of the April 16, 2009 inspection, the November 30, 2009 meeting, and subsequent information, the Board concludes that Royal has violated 9 VAC 5-80-1420(A), 9 VAC 5-50-50(A), and 9 VAC 5-80-80(B) and 9 VAC 5-80-80(C.2) described in paragraphs C.6 through C.10 above.
15. On April 30, 2010, Royal submitted to DEQ for the Facility a “case-by-case MACT determination” as required by Section 112(g) of the 1970 Clean Air Act (42 USC §7401 *et seq.*).
16. On April 30, 2010, Royal submitted to DEQ for the Facility a Form 805 Application and a 112(g) Application.
17. In order for Royal to return to compliance, DEQ staff and representatives of Royal have agreed to the Schedule of Compliance, which is incorporated as Appendix A of this Order.

SECTION D: Agreement and Order

Accordingly, by virtue of the authority granted it in Va. Code §§ 10.1-1309 and -1316, the Board orders Royal Fumigation Inc., and Royal Fumigation Inc., in settlement of the violations cited in this Order, voluntarily agrees to:

1. Perform the actions described in Appendix A of this Order; and
2. Pay a civil charge of \$51,270.00 in settlement of the violations cited in this Order. The civil charge shall be paid in accordance with the following schedule:

<u>Payment Due Date</u>	<u>Payment Amount</u>
July 30, 2010	\$17,090.00
August 30, 2010	\$17,090.00
September 30, 2010	\$17,090.00

3. If the Department fails to receive a civil charge payment pursuant to the schedule described in the above paragraphs D.2., the payment shall be deemed late. If any payment is late, the Department shall have the right to demand in writing full payment of the entire remaining balance under this Order by Royal Fumigation Inc., and the entire remaining balance of the civil charge shall be immediately due and owing. Royal Fumigation Inc. shall pay the entire remaining balance within 15

days of receipt of the demand letter from the Department. Any acceptance by the Department of a late payment or a payment of less than the entire remaining balance shall not serve as a waiver of the Department's right to accelerate payment of the balance under this Order.

4. All payments shall be made by check, certified check, money order or cashier's check payable to the "Treasurer of Virginia," and delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 1104
Richmond, Virginia 23218

5. Royal Fumigation Inc. shall include its Federal Employer Identification Number (FEIN) [51-0336507] with the civil charge payment and shall indicate that the payment is being made in accordance with the requirements of this Order for deposit into the Virginia Environmental Emergency Response Fund (VEERF).

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend this Order with the consent of Royal for good cause shown by Royal, or on its own motion pursuant to the Administrative Process Act, Va. Code § 2.2-4000 *et seq.*, after notice and opportunity to be heard.
2. This Order addresses and resolves only those violations specifically identified in Section C of this Order. This Order shall not preclude the Board or the Director from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the facility; or (3) taking subsequent action to enforce the Order.
3. For purposes of this Order and subsequent actions with respect to this Order only, Royal admits the jurisdictional allegations, and agrees not to contest, but does not admit, the findings of fact and conclusions of law in this Order.
4. Royal consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.
5. Royal declares it has received fair and due process under the Administrative Process Act and the Virginia Air Pollution Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to modify, rewrite, amend, or enforce this Order.
6. Failure by Royal to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority. Royal does not waive any rights or objections it may have in any enforcement

action by other federal, state, or local authorities arising out of the same or similar facts to those recited in this Order.

7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.
8. Royal shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other occurrence. Royal shall show that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. Royal shall notify the DEQ Regional Director verbally within 24 hours and in writing within three business days when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:
 - a. the reasons for the delay or noncompliance;
 - b. the projected duration of any such delay or noncompliance;
 - c. the measures taken and to be taken to prevent or minimize such delay or noncompliance; and
 - d. the timetable by which such measures will be implemented and the date full compliance will be achieved.

Failure to so notify the Regional Director verbally within 24 hours and in writing within three business days, of learning of any condition above, which the Royal intends to assert will result in the impossibility of compliance, shall constitute a waiver of any claim to inability to comply with a requirement of this Order.

9. This Order is binding on the parties hereto, their successors in interest, designees and assigns, jointly and severally.
10. This Order shall become effective upon execution by both the Director or his designee and Royal. Nevertheless, Royal agrees to be bound by any compliance date which precedes the effective date of this Order.
11. This Order shall continue in effect until:
 - a. Royal petitions the Director or his designee to terminate the Order after it has completed all of the requirements of the Order and the Director or his designee approves the termination of the Order; or
 - b. the Director or Board terminates the Order in his or its sole discretion upon 30 days' written notice to Royal.

Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve Royal from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.

- 12. Any plans, reports, schedules or specifications attached hereto or submitted by Royal and approved by the Department pursuant to this Order are incorporated into this Order. Any non-compliance with such approved documents shall be considered a violation of this Order.
- 13. The undersigned representative of Royal certifies that he or she is a responsible official authorized to enter into the terms and conditions of this Order and to execute and legally bind Royal to this document. Any documents to be submitted pursuant to this Order shall also be submitted by a responsible official of Royal.
- 14. This Order constitutes the entire agreement and understanding of the parties concerning settlement of the violations identified in Section C of this Order, and there are no representations, warranties, covenants, terms or conditions agreed upon between the parties other than those expressed in this Order.
- 15. By its signature below, Royal voluntarily agrees to the issuance of this Order.

And it is so ORDERED this 22 day of June, 2010.

Francis L. Daniel

Francis L. Daniel, Regional Director
Department of Environmental Quality

Royal Fumigation Inc. voluntarily agrees to the issuance of this Order.

Date: 6/18/10 By: [Signature] PRESIDENT
(Person) (Title)

Royal Fumigation Inc.

State of Delaware

County of New Castle

The foregoing document was signed and acknowledged before me this 18th day of JUNE, 2010, by ROY RICHARDSON who is PRESIDENT of Royal Fumigation Inc., on behalf of the corporation.

[Signature]
Notary Public

ANNE E BOOKOUT, BAR ID. 2273

Delaware Registration No. Attorney-at-Law and

My commission expires: Notary pursuant to 29 Del. Code § 4323
Notary seal:

APPENDIX A

1. Permits Required to Construct or Operate

Royal Fumigation Inc shall:

- a) Submit to DEQ all information requested by the Department needed to process the information submitted on April 30, 2010, referenced in Paragraph C.15 and C.16 of this Order.
- b) Royal shall keep records at the Facility sufficient to calculate monthly and annual emissions until the Permits are issued. Records shall also include fuel usage, production values, maintenance logs, and operator training.
- c) If Royal is unable to provide any information requested by the Department it shall submit correspondence demonstrating reasonable progress is being made toward meeting the request within four business days of discovery.
- d) Within 30 days of the execution of this Order, Royal shall submit all required notifications required under 9 VAC 5-50-50(A).

2. Certification of Documents and Reports

In accordance with 9 VAC 5-20-230(A), in all documents or reports submitted to DEQ pursuant to this Consent Order, Royal, shall by its officers, sign and certify under penalty of law that the information contained in such document or report is true, accurate, and not misleading by signing the following statement:

“I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering and evaluating the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.”

3. DEQ Contact

Unless otherwise specified in this Order, Royal shall submit all requirements of Appendix A of this Order to:

Regional Director
DEQ, Tidewater Regional Office
5636 Southern Boulevard
Virginia Beach, VA 23462