

**BEFORE THE  
UNITED STATES DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**

**IN THE MATTER OF:**

**IQA Metal, Inc. (Respondent)**

PHMSA Case Number:

**22-0233-SH-WE**

**By this Order I find that IQA Metal, Inc., committed two (2) violations of the Hazardous Materials Regulations (HMR), 49 C.F.R. Parts 171-180. Accordingly, I assess Respondent a \$26,250 civil penalty for the violations.**

**COMPROMISE ORDER-**

**I. Summary**

Respondent:           IQA Metal, Inc.  
                              13825 Norton Avenue  
                              Chino, CA 91710  
                              ATTN: Pingping Huang, CEO

No. of Violations:     2

Total Payment Due:   \$26,250 (in 12 monthly instalments as described below)

**II. Finding**

This matter comes before me after **IQA Metal, Inc.** (Respondent), and the Pipeline and Hazardous Materials Safety Administration agreed to a disposition of this case. I find Respondent committed the violation described in the Compromise Agreement (Agreement), which I have attached hereto. I have reviewed the Agreement and I find that the

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terms as outlined therein are in the best interest of justice. The Agreement, in its entirety, is incorporated and attached to this Order. All the terms and conditions of the Agreement shall be given the full force and effect of an Order issued pursuant to the Federal hazardous materials transportation law, 49 U.S.C. § 5101, et seq., or the Hazardous Materials Regulations, 49 C.F.R. Parts 171 – 180.

So Ordered,

ADAM SCHAEFER  
HORSLEY

Digitally signed by ADAM  
SCHAEFER HORSLEY  
Date: 2024.01.10  
13:37:15 -05'00'

p.p. \_\_\_\_\_

Vasiliki Tsaganos  
Acting Chief Counsel  
Pipeline and Hazardous Materials Safety Administration

1/10/24  
Date: \_\_\_\_\_

Attachments

Addendum A (Payment Information)  
Addendum B (Compromise Agreement)

# **ADDENDUM A**

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## Addendum A (Compromise Order)

### *Payment Information*

Respondent must pay a total civil penalty of \$26,250 in accordance with the following:

#### Due Date

Respondent must pay the first \$2,193 of the payment plan within 30 days of the date of this Order, then \$2,187 each thirty days for the following eleven months, until the \$26,250 penalty has been satisfied.

#### Payment Method

Respondent must pay the civil penalty by one of the following: (1) wire transfer, (2) certified check or money order, or (3) credit card via the Internet.

(1) Wire Transfer.

Detailed instructions for sending a wire transfer through the Federal Reserve Communications System (Fedwire) to the account of the U.S. Treasury are contained in the enclosure to this Order. Please direct questions concerning wire transfers to:

DOT/PHMSA/MMAC  
AMK-325/HQ-RM 181  
6500 S MacArthur Blvd  
Oklahoma City, OK 73169  
(405) 954-9309

(2) Check or Money Order.

Make check or money order payable to "U.S. Department of Transportation" (include the Ref. No. of this case on the check or money order) and send to:

DOT/PHMSA/MMAC  
AMK-325/HQ-RM 181  
6500 S MacArthur Blvd  
Oklahoma City, OK 73169  
(405) 954-9309

## Addendum A (Compromise Order)

### (3) Credit Card.

To pay electronically using a credit card, visit the following website address and follow the instructions:

<https://www.pay.gov/public/form/start/1078346>

### Interest and Administrative Charges

If Respondent pays the civil penalty by the due date, no interest will be charged. If Respondent does not pay by that date, the FAA's Financial Operations Division will start collection activities and may assess interest, a late-payment penalty, and administrative charges under 31 U.S.C. § 3717, 31 C.F.R. § 901.9, and 49 C.F.R. § 89.23.

The rate of interest is determined under the above authorities. Interest accrues from the date of this Order. A late-payment penalty of six percent (6%) per year applies to any portion of the debt that is more than 90 days past due. The late-payment penalty is calculated from the date Respondent receives the Order.

### Treasury Department Collection

FAA's Financial Operations Division may also refer this debt and associated charges to the U.S. Department of Treasury for collection. The Department of the Treasury may offset these amounts against any payment due Respondent (31 C.F.R. § 901.3).

Under the Debt Collection Act (see 31 U.S.C. § 3716(a)), a debtor has certain procedural rights prior to an offset. You, as the debtor, have the right to be notified of: (1) the nature and amount of the debt; (2) the agency's intention to collect the debt by offset; (3) the right to inspect and copy the agency records pertaining to the debt; (4) the right to request a review within the agency of the indebtedness and (5) the right to enter into a written agreement with the agency to repay the debt. This Order constitutes written notification of these procedural rights.

## Addendum A (Compromise Order)

### **INSTRUCTIONS FOR ELECTRONIC FUNDS TRANSFER TO PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION, U.S. DEPARTMENT OF TRANSPORTATION**

1. <u>RECEIVER'S ABA NO.</u> 021030004	2. <u>TYPE SUBTYPE</u> (provided by sending bank)
3. <u>SENDING BANK ARB NO.</u> (provided by sending bank)	4. <u>SENDING BANK REF NO.</u> (provided by sending bank)
5. <u>AMOUNT</u>	6. <u>SENDING BANK NAME</u> (provided by sending bank)
7. <u>RECEIVER NAME:</u> TREAS NYC	8. <u>PRODUCT CODE</u> (Normally CTR, or sending bank)
9. <u>BENEFICIAL (BNF)- AGENCY LOCATION CODE</u> BNF=/AC-69140001	10. <u>REASONS FOR PAYMENT</u> <i>Example: PHMSA Payment for Case #/Ticket</i>

**INSTRUCTIONS:** You, as sender of the wire transfer, must provide the sending bank with the information for Block (1), (5), (7), (9), and (10). The information provided in blocks (1), (7), and (9) are constant and remain the same for all wire transfers to the Pipeline and Hazardous Materials Safety Administration, Department of Transportation

**Block #1** - RECEIVER ABA NO. - "021030004". Ensure the sending bank enters this nine digit identification number; it represents the routing symbol for the U.S. Treasury at the Federal Reserve Bank in New York.

**Block #5** - AMOUNT - You as the sender provide the amount of the transfer. Please be sure the transfer amount is punctuated with commas and a decimal point. **EXAMPLE:**  
**\$10,000.00**

**Block #7** - RECEIVER NAME- "TREAS NYC." Ensure the sending bank enters this abbreviation, which must be used for all wire transfer to the Treasury Department.

**Block #9** - BENEFICIAL - AGENCY LOCATION CODE - "BNF=/AC-69140001"  
Ensure the sending bank enters this information. This is the Agency Location Code for Pipeline and Hazardous Materials Safety Administration, Department of Transportation

**Block #10** - REASON FOR PAYMENT – "AC-Payment for PHMSA Case#" To ensure your wire transfer is credited properly, enter the case number/ticket number or Pipeline Assessment number."

**Note:** - A wire transfer must comply with the format and instructions or the Department cannot accept the wire transfer. You, as the sender, can assist this process by notifying, at the time you send the wire transfer, the General Accounting Division at (405) 954-9309.

# **ADDENDUM B**

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**BEFORE THE  
UNITED STATES DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**

**IN THE MATTER OF:**

**IQA Metal, Inc. (Respondent)**

PHMSA CASE Number:

**22-0233-SH-WE**

**COMPROMISE AGREEMENT**

**I. Parties**

The Parties to this Compromise Agreement (“Agreement”) are:

**IQA Metal, Inc.** (“Respondent”), a shipper of electronics equipment including Class 9 lithium batteries,

and

**The Pipeline and Hazardous Materials Safety Administration** (“PHMSA”), a modal Administration of the United States Department of Transportation.

**II. Authority/Jurisdiction**

A. The Parties enter into this Agreement under authority of 49 U.S.C. § 5123(e) and 49 CFR § 107.327(a)(1).

B. For the Purposes of this Agreement, Respondent acknowledges:

(1) As a shipper of electronics equipment including Class 9 lithium batteries, it is a regulated entity subject to the Hazardous Materials Regulations (“HMR”) and to the jurisdiction of (a) the Secretary of Transportation, (b) the PHMSA’s Associate Administrator for Hazardous Materials Safety, and (c) PHMSA’s Office of the Chief Counsel (49 U.S.C. § 5103(b) and 49 CFR § 107.301);



(2) PHMSA has sufficient proof to show by a preponderance of the evidence that Respondent violated the Federal regulations listed in Section V below; and

(3) That it received proper notice of PHMSA's action in this proceeding.

### **III. Background**

A. On March 7, 2022, an Investigator from PHMSA's Office of Hazardous Materials Safety Field Operations ("OHMSFO") conducted an incident concerning a shipment by Respondent discovered at the Port of Los Angeles/Long Beach. On May 10, 2022, PHMSA's Investigators conducted a follow-up compliance inspection at Respondent's business pursuant to 49 U.S.C. § 5121 and 49 CFR § 107.305. PHMSA's Investigator reported three (3) alleged violations of the HMR. At the conclusion of the compliance inspection, PHMSA's Investigator conducted an "exit briefing" during which the Investigator discussed the alleged violations and the required corrective actions with Respondent's representative.

B. Upon completion of the compliance inspection, the Investigator submitted a report to the Director of OHMSFO's Western Region, who reviewed the report for accuracy and sufficiency of evidence. Based on that review, the Director referred the matter to PHMSA's Office of Chief Counsel thereby recommending the initiation of a civil penalty action against Respondent pursuant to 49 CFR § 107.311.

C. Based on a preliminary assessment of the apparent nature, circumstances, extent, and gravity of the probable violation, as set forth in the Investigator's report, on May 2, 2023, an attorney from PHMSA's Office of Chief Counsel issued a Notice of Probable Violation ("Notice") alleging two (2) violations of the HMR and proposing a \$26,250 civil penalty, which included a reduction for corrective action.

### **IV. Basis of Agreement**

A. Receipt of Notice. On May 9, 2023, Respondent acknowledged receipt of the Notice by electronic mail.

B. Informal Response / Reply to Notice. Between May 9 and October 3, 2023, Respondent and PHMSA's attorney corresponded by email about the facts and circumstances of the case and Respondent's business. Additionally, the parties conducted an informal conference by virtual meeting on August 1, 2023. These negotiations resulted in this agreement.

C. Corrective Action. In its May 10, 2022, correspondence with OHMS, Respondent addressed the actions it has taken to correct the violations alleged in this Notice and to prevent future violations of the HMR. Respondent has described and documented its current ability to identify and properly handle shipments of regulated lithium batteries. Further, it has worked extensively with state and federal agencies and private companies to safely and compliantly dispose of the damaged shipment that gave rise to this matter.

D. Financial Consideration. Respondent has not documented any specific hardship stemming from the proposed civil penalty.

## V. Violation and Civil Penalty

In a subsequent Order, the Chief Counsel will find that Respondent committed the following violations and will assess the following civil penalty:

Viol. No.	HMR Violation	NOPV Penalty Amount	Compromise Penalty Amount
1	Offering for transportation in commerce a hazardous material, UN 3480, Lithium-ion batteries including lithium-ion polymer batteries, 9, without shipping papers, package markings, or labels as required, in violation of 49 C.F.R. §§ 171.2(a), (b), and (e), 172.200(a), 172.300(a), and 172.400(a).	\$15,000	<b>\$15,000</b> (in 12 monthly installments)
2	Offering for transportation in commerce lithium batteries in unauthorized packages and had not been protected against short circuit as required, in violation of 49 C.F.R. §§ 171.2(a), (b), and (e), and 173.185(b).	\$11,250	<b>\$11,250</b> (in 12 monthly installments)
TOTAL	-----	\$26,250	<b>\$26,250</b>

## VI. Factors Considered in Determining the Civil Penalty

In determining the amount of a civil penalty, PHMSA considered the following statutory criteria (49 U.S.C. § 5123(c)):

- (1) The nature, circumstances, extent, and gravity of the violations;
- (2) The degree of culpability and history of prior violations;
- (3) Respondent's size;
- (4) Respondent's ability to pay the penalty and its ability to continue to do business;  
and
- (5) Other matters as justice may require.

During the informal conference and throughout the investigation, Respondent has cooperated with government authorities and readily accepted responsibility for the incident. Additionally, Respondent has shown good faith in improving its business practices to prevent future such incidents. Respondent has documented more than \$200,000 in remedial expenses and government penalties (outside of this case). As a result of the impact of these expenses and Respondent's status as a small business, the parties have agreed that Respondent shall pay the penalty proposed in the NOPV in twelve installments, one of \$2,193, followed by eleven monthly payments of \$2,187.

## VII. Terms and Conditions

A. Respondent agrees to pay a first instalment civil penalty of \$2,193, within 30 days from the date the Chief Counsel issues the Final Order, which will issue after Respondent signs and returns this Agreement. After that, Respondent agrees to pay \$2,187 every 30 days for eleven additional months, totaling \$26,250.

B. By entering into this Agreement, Respondent waives:

(1) Any right to present further written or oral explanations, information, and arguments in this matter;

(2) Any right to Administrative appeal; and

(3) Any right to seek judicial review or otherwise contest or challenge the validity of this Agreement or the Notice associated with this case.

C. This Agreement resolves only the violation noted in PHMSA Ref. No. **22-0233-SH-WE** as referenced in Section V of this Agreement. In the event Respondent commits any future violations of the Federal hazardous material transportation law, 49 U.S.C. § 5101 *et seq.*, the HMR, or any exemption, or order issued thereunder these violations shall constitute a prior violation under 49 U.S.C. § 5123.

D. After Respondent returns this signed Agreement, PHMSA's representative will present the Agreement to the Chief Counsel requesting that the Chief Counsel adopt the terms of this Agreement by issuing a Compromise Order (49 CFR § 107.327(a)(1)). The terms of this Agreement constitute an offer of compromise until accepted by the Chief Counsel.

E. After issuance of the Compromise Order, Respondent must pay the civil penalty in accordance with the terms of this Agreement. Upon receipt of Respondent's payment, the Chief Counsel will close this case with prejudice to the Respondent (49 CFR § 107.327(a)(1)(ii)).

## **VIII. Miscellaneous Provisions**

A. By signing this Agreement, Respondent or its representative warrants to have read the Agreement and understood its terms and conditions.

B. The individuals signing on behalf of the Respondent and PHMSA represent that they are authorized to sign and have authority to enter into this Agreement.

C. Respondent's failure to sign and return this Agreement within thirty (30) days from its receipt will result in the withdrawal of this Agreement and the Chief Counsel will issue an Order pursuant to 49 CFR §§ 107.317(d), for the full amount of the penalty proposed in the Notice.

D. Respondent must return the signed Agreement to:

Harlan Dalzell  
United States Department of Transportation  
Pipeline and Hazardous  
Materials Safety Administration  
1200 New Jersey Avenue, S.E.,  
PHC-10, Room E26-303  
Washington, D.C. 20590-0001

**Respondent**

Federal Tax ID #: 81-1611707<sup>1</sup>

By: Mia Huang CEO  
Name, Capacity or position

Date: 01/09/2024

**Pipeline and Hazardous  
Materials Safety Administration**

By: HARLAN SAWYER DALZELL  
Harlan Dalzell, Attorney-Advisor

Digitally signed by HARLAN  
SAWYER DALZELL  
Date: 2024.01.10 12:50:56  
-05'00'

Date: 1/10/24

<sup>1</sup> The Taxpayer Identifying Number is required by 31 U.S.C. § 7701(c)(3). PHMSA will use this number for purposes of collecting and reporting on any delinquent amounts arising out of this agreement.