

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

IN THE MATTER OF:

Battery Source

PHMSA Case Numbers:

23-0151-SH-SO

23-0152-SH-SO

COMPROMISE ORDER

By this Order, I find that Battery Source committed two (2) violations of the Hazardous Materials Regulations (HMR), 49 C.F.R. Parts 171-180. Accordingly, I assess Respondent a \$13,500 civil penalty for the violations, to be paid in six (6) monthly installments of \$2,250.

I. Summary

Respondent: Battery Source
 104 Genesis Pkwy
 Thomasville, Georgia 31792

ATTN: Ross Glass, Vice President

No. of Violations: 2

Total Payment Due: \$13,500

II. Finding

This matter comes before me after Battery Source (Respondent) and the Pipeline and Hazardous Materials Safety Administration (PHMSA) agreed to a disposition of this case. I find Respondent committed the violations described in the Compromise Agreement (Agreement), which I have attached hereto. I have reviewed the Agreement and I find that the terms as outlined therein are in the best interest of justice.

The Agreement, in its entirety, is incorporated and attached to this Order. All of 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: 2024.05.13 15:33:21
-04'00'

p.p. _____

For Vasiliki Tsaganos

Acting Chief Counsel

Pipeline and Hazardous Materials Safety Administration

Date: May 13, 2024

Attachments:

Addendum A
Addendum B
Addendum C

ADDENDUM A

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Addendum A (Compromise Order)

Payment Information

Respondent must pay a total civil penalty of \$13,500 in accordance with the following:

Due Date

Respondent must pay the first \$2,250 of the payment plan within thirty (30) days of the date of this Order. Respondent must pay an additional \$2,250 each thirty (30) days thereafter until the entire amount is paid. If Respondent defaults on any payment of this payment schedule, the entire amount of the remaining civil penalty shall, without further notice, become immediately due and payable as of the date that the first installment is due.

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) Bank Account (ACH), Debit Card, or Credit Card.

To pay electronically, 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 B

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Addendum B (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 or 9-AMC- AMZ-AR-PHMSA@faa.gov.

ADDENDUM C

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

IN THE MATTER OF:

Battery Source

PHMSA Case Numbers:

23-0151-SH-SO

23-0152-SH-SO

COMPROMISE AGREEMENT

I. Parties

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

1. **Battery Source** (“Respondent”), a southeastern-based chain of retail battery stores and a filler, shipper, and carrier of 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 an offeror and transporter of hazardous materials, it is a regulated entity subject to the HMR and to the jurisdiction of (a) the Secretary of Transportation, (b) 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 June 27 and 29, 2023, an Investigator from PHMSA’s Office of Hazardous Materials Safety Field Operations (“OHMSFO”) conducted inspections at Respondent’s facilities in Mobile, Alabama, pursuant to 49 U.S.C. § 5121 and 49 CFR § 107.305. PHMSA’s Investigator reported two (2) alleged violations of the HMR. At the conclusion of the compliance inspections, PHMSA’s Investigator conducted an “exit briefing,” during which the Investigator discussed the alleged violations and the required corrective actions with Respondent’s representatives.

B. Upon completion of the inspections, the Investigator submitted a report to the Director of OHMSFO’s Southern 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 violations, as set forth in the Investigator’s reports, on January 18, 2024, 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 \$18,000 civil penalty. Respondent replied via phone call on February 9, 2024.

IV. Basis of Agreement

A. Reply to Notice. Respondent called PHMSA’s attorney on February 9, 2024, to discuss the case. Respondent also called the reporting Investigator for the case on February 12, 2024. Respondent emailed PHMSA’s attorney on February 13, 2024, requesting an informal conference, which was scheduled for February 26, 2024. The informal conference was held on February 26, 2024, and PHMSA’s attorney followed up on the informal conference via email on March 11, 2024, with a compromise offer of 25% off the penalty assessed in the Notice, as well as a six (6) month payment plan. Respondent accepted the compromise offer on March 11, 2024.

V. Violations 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 and transporting in commerce, a hazardous material, Damaged, Defective, or Recalled (DDR), UN3480, Lithium Ion Batteries, 9, undeclared, without hazardous materials shipping papers, marking, labeling, and UN standard packaging, as prescribed by 49 CFR §§ 173.185(f), 172.200, 172.300, and	\$15,000	\$11,250 (-\$3,750 in the interest of settling the matter, to be paid in \$1,875/month for six (6) months)

	172.400, in violation of 49 CFR §§ 171.2(a), (b), (e), & (f); 173.185(f), 172.200; 172.202; 172.300; 172.301; 172.400; and 172.447.		
2	Allowing an employee to perform a function subject to the requirements of federal hazardous materials regulations when the employee had not received initial hazardous materials general awareness, function-specific, safety, and security awareness training as prescribed by 49 CFR §§ 172.704(c)(1), in violation of 49 CFR §§ 171.2(a), (b) & (e), 172.702(a), 172.704(a)(1), (2), (3), (4) & (c)(1).	\$3,000	\$2,250 (-\$750, in the interest of settling the matter, to be paid in \$375/month for six (6) months)
TOTAL	----- -----	\$18,000	\$13,500 (-\$4,500 in the interest of settling the matter, to be paid in installments of \$2,250/month for six (6) months)

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.

At the time of the Notice, Respondent had provided full corrective action. PHMSA's attorney offered a counteroffer of 25% off the Notice penalty of \$18,000, for a new compromise penalty of \$13,500, to be paid in six (6) monthly installments of \$2,250.

VII. Terms and Conditions

A. Respondent agrees to pay a total civil penalty of \$13,500, as full satisfaction of the civil penalty proposed in the Notice, according to the following payment plan. Respondent is to make the first payment of \$2,250 within thirty (30) days from the date the Chief Counsel issues the Final Order, which will issue after Respondent signs and returns this Agreement. Respondent must pay an additional \$2,250 each thirty (30) days thereafter until the entire amount is paid. If Respondent defaults on any payment of this payment schedule, the entire amount of the

remaining civil penalty shall, without further notice, become immediately due and payable as of the date that the first installment is due.

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 violations noted in PHMSA Ref. Nos. **23-0151-SH-SO** **23-0152-SH-SO**, 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 final 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 by electronic mail to:

Brittany.Besser@dot.gov

Respondent

Federal Tax ID #: 58-1449131¹

By: J. Ross Glass Digitally signed by J. Ross Glass
Date: 2024.04.29 10:13:36 -04'00' Date: 4/29/2024
Ross Glass, Vice President

**Pipeline and Hazardous
Materials Safety Administration**

By: BRITTANY
SIGRID BESSER Digitally signed by BRITTANY
SIGRID BESSER
Date: 2024.05.12 16:31:38 -04'00' Date:
Brittany S. Besser, Attorney-Advisor

¹ 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.