



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
WASHINGTON, D.C. 20460

OFFICE OF  
ENFORCEMENT AND  
COMPLIANCE ASSURANCE

TRANSMITTED VIA EMAIL  
RETURN RECEIPT REQUESTED

Carrier InterAmerica Corporation  
10801 NW 103<sup>rd</sup> Street, Suite 1  
Miami, Florida 33178

RE: Carrier InterAmerica Corporation – Notice of Violation (Greenhouse Gas Reporting Program)

Dear Frances Guzman:

The U.S. Environmental Protection Agency (EPA) is issuing the enclosed Notice of Violation (NOV) to Carrier InterAmerica Corporation (you). The EPA alleges that you have violated Section 114 of the Clean Air Act (the Act or CAA), 42 U.S.C. § 7414, and the regulations promulgated thereunder at 40 C.F.R. Part 98, Subparts A and OO.

The EPA is issuing the enclosed NOV under Section 113(a) of the Act, 42 U.S.C. § 7413(a), for violations of 40 C.F.R. Part 98 (Subparts A and OO). The regulations require suppliers of industrial greenhouse gases (which include importers and exporters) to submit an annual report if their import quantity of industrial greenhouse gases is equivalent to 25,000 metric tons of carbon dioxide equivalent or more. See 40 C.F.R. § 98.2(a)(4) and 40 C.F.R. § 98.411.

Without making a determination that your business or organization is a small business, the EPA is providing you with this Small Business Resources Information Sheet which provides important information that may assist small businesses in identifying and complying with environmental requirements: <https://www.epa.gov/compliance/small-business-resources-information-sheet>.

Please note the opportunity for you to request a conference with the EPA to present information on the violations identified in the NOV, efforts you have taken to comply, and the steps you will take to prevent future violations. A conference should be requested within ten (10) calendar days of the date of this letter. You may have counsel represent you at this conference. Please direct any request to confer to Josh Zaharoff, Attorney Advisor, at Zaharoff.Josh@epa.gov or (312) 886-4460, and Elfego Felix, Environmental Engineer, at Felix.Elfego@epa.gov or (202) 564-1403.

Sincerely,

**Greene,  
Mary E**

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Mary E. Greene, Director  
Air Enforcement Division  
United States Environmental Protection Agency

cc (by email): Amelie Isin, HFC Program Lead (Acting), EPA  
Elfego Felix, EPA  
Josh Zaharoff, EPA  
Angie Martilotto, Carrier InterAmerica Corporation  
S. Shannon Liang, counsel for Carrier InterAmerica Corporation

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
**WASHINGTON, DC**

**IN THE MATTER OF:** )  
 )  
Carrier InterAmerica Corporation )  
Miami, Florida )  
 ) **NOTICE OF VIOLATION**  
Proceedings Pursuant to )  
Section 113(a)(3) of the Clean Air Act, )  
42 U.S.C. § 7413(a)(3) )

**NOTICE OF VIOLATION**

**Statutory and Regulatory Authority**

1. Under Section 114(a)(1) of the CAA, the EPA may require emission sources, persons subject to the CAA, manufacturers of emission control or process equipment, or persons whom the EPA believes may have necessary information, to monitor and report emissions and to provide such other information as the EPA requests for the purposes of carrying out any provision of the CAA (except for a provision of Title II with respect to motor vehicles).
2. Pursuant to this legal authority, the EPA established the mandatory greenhouse gas reporting requirements in 2010. 40 C.F.R. Part 98.
3. 40 C.F.R. § 98.1(a) establishes greenhouse gas reporting requirements for owners and operators of certain facilities that directly emit greenhouse gases as well as for certain suppliers of greenhouse gases. For suppliers, the greenhouse gases that must be reported are the amount in terms of tons of carbon dioxide equivalent that would be emitted from combustion or use of the greenhouse gases supplied.
4. 40 C.F.R. § 98.1(b) provides that owners, operators and suppliers subject to 40 C.F.R. Part 98 must follow the requirements of Subpart A and all applicable Subparts, and if a conflict exists between a provision in Subpart A and any other applicable Subpart, the requirements of the applicable Subpart shall take precedence.
5. 40 C.F.R. § 98.2(a) provides that the greenhouse gas reporting requirements and related monitoring, recordkeeping, and reporting requirements of Subpart A apply to the owners and operators of any supplier that meets the requirements of paragraph (a)(4) of this section.

6. 40 C.F.R. § 98.2(a)(4) provides that a supplier listed in Table A-5 of 40 C.F.R. Part 98, Subpart A, must submit an annual report that covers all applicable products for which calculation methodologies are provided in the applicable Subpart and Subpart A.
7. 40 C.F.R. Part 98, Subpart OO, applies to suppliers of industrial greenhouse gases. Table A-5 of 40 C.F.R. Part 98, Subpart A, lists supplier categories for industrial greenhouse gas suppliers subject to 40 C.F.R. Part 98, Subpart OO, including producers of industrial greenhouse gases, and importers and exporters of industrial greenhouse gases with annual bulk imports or exports of nitrous oxide (N<sub>2</sub>O), fluorinated greenhouse gas, and carbon dioxide (CO<sub>2</sub>) that in combination have greenhouse gas quantities equivalent to 25,000 metric tons of carbon dioxide equivalent (CO<sub>2</sub>e) or more. Table A-5 of 40 C.F.R. Part 98, Subpart A, also states that suppliers are defined in each applicable Subpart.
8. 40 C.F.R. § 98.418 provides that all of the terms used in 40 C.F.R. Part 98, Subpart OO, have the same meaning given in the Clean Air Act and 40 C.F.R. Part 98, Subpart A, except the terms “isolated intermediate” and “low-concentration constituent,” which are defined in 40 C.F.R § 98.418. 40 C.F.R. § 98.418 further provides that if a conflict exists between a definition provided in Subpart OO and a definition provided in Subpart A, the definition in Subpart OO shall take precedence for the reporting requirements in Subpart OO.
9. 40 C.F.R. § 98.6 defines “exporter” as any person, company or organization of record that transfers for sale or for other benefit, domestic products from the United States to another country or to an affiliate in another country, excluding any such transfers on behalf of the United States military or military purposes including foreign military sales under the Arms Export Control Act. An exporter is not the entity merely transporting the domestic products, rather an exporter is the entity deriving the principal benefit from the transaction.
10. 40 C.F.R. § 98.6 defines “industrial greenhouse gases” as nitrous oxide or any fluorinated greenhouse gas.
11. 40 C.F.R. § 98.6 defines “importer” as any person, company, or organization of record that for any reason brings a product into the United States from a foreign country, excluding introduction into United States jurisdiction exclusively for United States military purposes. An importer is the person, company, or organization primarily liable for the payment of any duties on the merchandise or an authorized agent acting on their behalf. The term includes, as appropriate: (1) the consignee, (2) the importer of record, (3) the actual owner, and (4) the transferee, if the right to draw merchandise in a bonded warehouse has been transferred.
12. 40 C.F.R. § 98.6 defines “operator” as any person who operates or supervises a facility or supplier.

13. 40 C.F.R. § 98.6 defines “owner” as any person who has legal or equitable title to, has a leasehold interest in, or control of a facility or supplier, except a person whose legal or equitable title to or leasehold interest in the facility or supplier arises solely because the person is a limited partner in a partnership that has legal or equitable title to, has a leasehold interest in, or control of the facility or supplier shall not be considered an “owner” of the facility or supplier.
14. 40 C.F.R. § 98.6 defines “supplier” as a producer, importer, or exporter in any supply category included in Table A-5 to 40 C.F.R. Part 98, Subpart A, as defined by the corresponding Subpart of 40 C.F.R. Part 98.
15. 40 C.F.R. § 98.410 defines source categories for suppliers of industrial greenhouse gases.
16. 40 C.F.R. § 98.410(a) provides that “the industrial gas supplier source category consists of any facility that produces fluorinated greenhouse gases or nitrous oxide; any bulk importer of fluorinated greenhouse gases or nitrous oxide; and any bulk exporter of fluorinated greenhouse gases or nitrous oxide.”
17. 40 C.F.R. § 98.411 specifies the applicable reporting threshold for 40 C.F.R. Part 98, Subpart OO, and requires any supplier of industrial greenhouse gases who meets the requirements of 40 C.F.R. § 98.410 and 40 C.F.R. § 98.2(a)(4) to report greenhouse gas emissions pursuant to 40 C.F.R. Part 98, Subpart OO (40 C.F.R. §§ 98.410 – 98.418).
18. 40 C.F.R. § 98.2(f) provides the methodology to calculate industrial greenhouse gas quantities for comparison to the 25,000 metric ton CO<sub>2</sub>e per year threshold under 40 C.F.R. § 98.2(a)(4) for importers and exporters of industrial greenhouse gases, and states that the imported quantities and the exported quantities must be compared separately to the 25,000 metric ton CO<sub>2</sub>e per year threshold.
19. 40 C.F.R. § 98.2(i) provides that once a supplier is subject to the requirements of 40 C.F.R. Part 98, the supplier must for each year thereafter comply with all requirements of 40 C.F.R. Part 98, including the requirement to submit annual greenhouse gas reports, even if the supplier does not meet the applicability requirements in 40 C.F.R. § 98.2(a) in a future year.
20. 40 C.F.R. § 98.3(b) requires suppliers subject to 40 C.F.R. Part 98 to submit annual reports to the EPA no later than March 31 of each calendar year for greenhouse gas emissions in the previous calendar year, with the exception of the report for calendar year 2010, which was due no later than September 30, 2011.
21. 40 C.F.R. § 98.3(c) specifies the content of each annual report, other than as provided in 40 C.F.R. § 98.3(d) for reporting year 2010, and includes any other data specified in the “Data reporting requirements” section of each applicable Subpart of 40 C.F.R. Part 98.

22. 40 C.F.R. § 98.416 provides a list of information, in addition to the information required by 40 C.F.R. § 98.3(c)(1) – (3) and (5) – (13), that must be included in each annual report.
23. 40 C.F.R. § 98.412 requires reporting of greenhouse gas emissions that would result from the release of the nitrous oxide and each fluorinated greenhouse gas that is produced, imported, exported, transformed, or destroyed during the calendar year.
24. Except for certain special exceptions for reporting year 2010, 40 C.F.R. § 98.3(e) requires use of the calculation methodologies specified in the relevant Subparts, in preparing the annual report. “For each source category, you must use the same calculation methodology throughout a reporting period unless you provide a written explanation of why a change in methodology was required.” 40 C.F.R. § 98.3(e).
25. 40 C.F.R. § 98.413 prescribes the methodology to calculate the industrial greenhouse gas emissions set forth in 40 C.F.R. § 98.412.
26. 40 C.F.R. § 98.6 defines global warming potential (GWP) and specifies that the GWP of each greenhouse gas are provided in Table A-1 of 40 C.F.R. Part 98.
27. Table A-1 of 40 C.F.R. Part 98 lists a GWP (based on a 100-year time horizon) of 675 for HFC-32, 3,500 for HFC-125, 1,430 for HFC-134a, and 4,470 for HFC-143a.
28. 40 C.F.R. § 98.5 requires each annual report to be submitted electronically through the “Electronic Greenhouse Gas Reporting Tool” (“e-GGRT”). Each report must be submitted by a designated representative. *See* 40 C.F.R. § 98.4.
29. Any violation of 40 C.F.R. Part 98 is a violation of the CAA, including Section 114, 42 U.S.C. § 7414. A violation includes but is not limited to failure to report greenhouse gas emissions, failure to collect data needed to calculate greenhouse gas emissions, failure to continuously monitor and test, failure to retain records needed to verify the amount of greenhouse gas emissions, and failure to calculate greenhouse gas emissions following the methodologies specified in this part. Each day of violation constitutes a separate violation. 40 C.F.R. § 98.8. *See also* 74 Fed. Reg. 56395 (Oct. 30, 2009).

### **Facts**

30. Carrier InterAmerica Corporation (Carrier) is an air conditioning, heating, and refrigeration servicer and supplier located at 10801 NW 103<sup>rd</sup> Street, Suite 1, Miami, Florida.
31. R-404A is a refrigerant blend that contains HFC-125, HFC-134a, and HFC-143a.
32. R-407C is a refrigerant blend that contains HFC-32, HFC-125, and HFC-134a.

33. R-410A is a refrigerant blend that contains HFC-32 and HFC-125.
34. R-417A is a refrigerant blend that contains HFC-125 and HFC-134a.
35. On or about May 12, 2022, Carrier imported into the United States from China approximately 2,217 kg of HFC-134a; 1,090 kg of R-404A; 565 kg of R-407C; 9,380 kg of R-410A; and 1,130 kg of R-417A.
36. On or about May 31, 2022, Carrier imported into the United States from China approximately 14,125 kg of R-410A.
37. HFC-32, HFC-125, HFC-134a, and HFC-143a are industrial greenhouse gases under 40 C.F.R. § 98.6.
38. The EPA calculates metric tons of CO<sub>2</sub>e by multiplying the mass of the industrial greenhouse gas in kg by the GWP (based on a 100-year time horizon) of the industrial greenhouse gas and dividing the product by 1,000, according to the methodology in 40 C.F.R. § 98.2(f).
39. By importing approximately 2,217 kg of HFC-134a, 1,090 kg of R-404A, 565 kg of R-407C, 23,505 kg of R-410A, and 1,130 kg of R-417A, Carrier imported approximately 60,165 metric tons of CO<sub>2</sub>e in 2022.
40. Carrier did not submit an annual report of its greenhouse gas import quantities to the EPA by March 31, 2023 for greenhouse gas emissions in calendar year 2022.

#### **Alleged Violation**

41. Carrier is a supplier of industrial greenhouse gases subject to the mandatory greenhouse gas reporting requirements.
42. Carrier's industrial greenhouse gas import quantities exceeded the mandatory greenhouse gas reporting threshold of 25,000 metric tons CO<sub>2</sub>e per year or more in one or more calendar years from 2010 to 2022.
43. Carrier did not timely report to the EPA its greenhouse gas import quantities for at least calendar year 2022, in violation of 40 C.F.R. Part 98, Subparts A and OO.

#### **Enforcement**

The EPA's investigation into this matter is continuing. The violations alleged in this NOV are sufficiently supported by the evidence described above to warrant the issuance of this NOV. The EPA may find additional violations as the investigation continues.

Section 113(a)(3) of the Act, 42 U.S.C § 7413(a)(3), provides the Administrator with several enforcement options to resolve these violations, including issuing an administrative compliance order, issuing an administrative penalty order, bringing a judicial civil action, and bringing a judicial criminal action.

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Mary E. Greene, Director  
Air Enforcement Division  
United States Environmental Protection Agency