



**REGION 6**

DALLAS, TX 75270

July 9, 2024

Via Electronic Mail: [timothy.wilkins@bracewell.com](mailto:timothy.wilkins@bracewell.com)

Timothy Wilkins  
Managing Partner, Austin  
Bracewell  
111 Congress Avenue, Suite 2300  
Austin, Texas 78701-4061

Re: Letter Exchange - Corporate Auditing Agreement between USEPA and Republic Services, ACT Acquisition – New Owner Audit.

Dear Mr. Wilkins:

USEPA Region 6 has reviewed your proposed Corporate Auditing Agreement, with the new owner audit set to commence the week of **July 8, 2024**. Per the proposed agreement, Republic Services will disclose findings that it may discover through environmental audits of compliance with environmental laws and regulations at certain Advanced Chemical Treatment (“ACT”) facilities, in accordance with USEPA’s “Incentives for Self-Policing” policy, 65 Fed. Reg. 19618 (“Audit Policy”).

As you are aware, USEPA issued the “Interim Approach to Applying the Audit Policy to New Owners,” 73 Fed.Reg.4491 (Aug. 1, 2008) (“Interim Approach”), which offers tailored incentives and additional penalty mitigation to certain owners of a newly acquired facility that want to make a “clean start” at the new facility by addressing noncompliance that began before the acquisition. The Interim Approach modifies certain conditions of the Audit Policy, expanding the range of possible violations that may be eligible for penalty mitigation and adjusting the way penalties for economic benefit are calculated, in the new owner context. Based on your description of Republic Service’s proposal to enter into an Audit Agreement within the required timeframe, EPA Region 6 intends to consider the self-disclosure under the Interim Approach.

EPA Region 6 accepts Republic Service’s proposal to audit ACT’s flagship facility in Albuquerque, New Mexico, located at 6137 and 6141 Edith Blvd NE, Albuquerque, New Mexico (the “Facility”) that is now part of the Republic Service’s corporate holdings. EPA accepts that Republic Services intends to make its disclosures in (i) quarterly updates on the status of the Audit during its duration, commencing the week of **July 8, 2024**, (ii) an audit disclosure, if any is made, by the disclosure deadline of **October 31, 2024**, and (iii) quarterly updates on corrective actions thereafter. EPA Region 6 accepts that the Audit

work (which will include compliance evaluations under the Clean Air Act, Clean Water Act (including Spill Prevention Control, and Countermeasures rules), the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation, and Liability Act, and the Emergency Planning and Community Right-to-Know Act) will take until approximately **August 31, 2024**, to complete. It is the EPA's expectation that Republic Service's will comply with the applicable federal environmental laws, including the environmental areas outlined in your letter of June 3, 2024.

### **Application of Certain Audit Policy Conditions**

For purposes of implementing the Audit Agreement, EPA Region 6 wants to highlight the EPA's interpretation of and expectations regarding certain conditions of the Audit policy, in the context of determining the eligibility of Republic Service's self-disclosures for the Audit Policy and the Interim Approach.

1. *Prompt Disclosure Condition:* The Audit Policy requires companies to disclose within 21 days of finding potential violations. In your June 6, 2024, letter, you requested making consolidated disclosure of audit findings before the disclosure deadline of October 31, 2024, when all disclosures must have been made. This agreement accepts that revised timeline.
2. *Prompt Correction Condition:* The EPA's Audit Policy and the Interim Approach require that violations be corrected within 60 days of discovery. As requested, Republic Services may make extension requests where such corrective action will reasonably take longer than the specified 60 days, with the request to be made prior to the expiry of the 60-day deadline.

### **Information Needed on Potential Violations Disclosed in Republic Services Final Audit Report**

To determine whether Republic Services has met the conditions of the Interim Approach and Audit Policy, the EPA will need complete information on each potential violation disclosed, specific to each criterion. As part of Republic Services final Audit Report, please provide EPA Region 6 with all information requested in the New Owner Self-Disclosure Questionnaire.

### **Timing of Submission of the Interim Status Report, Final Audit Report, and New Owner Disclosure Questionnaire**

Republic Services has proposed to complete the audit by **October 31, 2024**. Your proposal is acceptable to EPA Region 6. The Final Report, along with your certified responses to the New Owner Self-Disclosure Questionnaire, will be due to EPA Region 6 no later than **October 31, 2024**. If at any time Republic Services determines it needs more time to provide the requested information, please submit, prior to the established deadline, a proposed schedule, and a justification for an extension.

Please send your progress and final reports to:

Republic Services Self-Audit Team Lead  
ATTN: Ravi Sharma and Talton Adolphus  
RCRA Enforcement Division

U.S. Environmental Protection Agency, Region 6  
sharma.ravi@epa.gov; adolphus.talton@epa.gov

### **Resolution of Disclosure**

After EPA Region 6 has received Republic Services Final Report and complete information on the potential violations disclosed, we will analyze each disclosure, calculate any proposed penalty, and determine the applicability of the Interim Approach and its benefits, including penalty mitigation. It is EPA Region 6's aim to work with Republic Services to resolve this matter as efficiently and expeditiously as possible.

Again, the EPA appreciates Republic Services willingness to self-police, disclose, and correct potential violations at its newly acquired facility. Ravi Sharma and Talton Adolphus will serve as your primary points of contacts for this matter. If you have any questions, please contact Ravi Sharma at sharma.ravi@epa.gov or Talton Adolphus at adolphus.talton@epa.gov.

Sincerely,

Cheryl T. Seager, Director  
Enforcement and  
Compliance Assurance Division