



REGION 4

ATLANTA, GA 30303

SENT VIA ELECTRONIC MAIL

Weijun Zheng
Owner
Highwood International LLC
4780 I 55 N STE 100,
Jackson, MS 39211
goldwillcorp@gmail.com

Re: Highwood International LLC – Jackson, Mississippi
Notice of Potential Violation and Opportunity to Confer

Dear Weijun Zheng:

Information currently available to the U.S. Environmental Protection Agency (EPA) suggests that Highwood International LLC may have committed violations of the American Innovation and Manufacturing (AIM) Act, 42 U.S.C. § 7675, and the regulations promulgated thereunder at 40 C.F.R. Part 84. By this letter, the EPA is extending to you an opportunity to advise the Agency via a conference call, or in writing, of any further information the EPA should consider with respect to the potential violations.

The AIM Act provides the EPA with authority to regulate hydrofluorocarbons (HFCs), which are greenhouse gases. The regulations at 40 C.F.R. Part 84, Subpart A, implement the AIM Act requirement to phase down HFC production and consumption. Subpart A applies to “any person that produces, transforms, destroys, imports, exports, sells or distributes, offers for sale or distribution, recycles for fire suppression, or reclaims a regulated substance.” 40 C.F.R. § 84.1(b). A “regulated substance” is: “[A] hydrofluorocarbon listed in the table contained in subsection (c)(1) of the AIM Act and a substance included as a regulated substance by the Administrator under the authority granted in subsection (c)(3).” 40 C.F.R. § 84.3.

Pursuant to 40 C.F.R. § 84.5(b)(l), “[n]o person may import bulk regulated substances, except: . . . [b]y expending, at the time of the import, consumption or application-specific allowances in a quantity equal to the exchange-value weighted equivalent of the regulated substances imported” The term “bulk” means: “[A] regulated substance of any amount that is in a container for the transportation or storage of that substance such as cylinders, drums, ISO tanks, and small cans. . . .” 40 C.F.R. § 84.3.

On or about February 1, 2024, an authorized representative of the EPA conducted an off-site compliance monitoring inspection of the shipment with entry number 8AH-00005993, for which Highwood International LLC is identified as the importer. Based on this inspection, the EPA has determined that Highwood International LLC may have imported bulk HFCs without expending allowances or providing a transshipment notice or non-objection notice to the EPA, in violation of the AIM Act and its implementing regulations. A list of the potential violations is enclosed.

The EPA has authority under Section 113 of the Clean Air Act (CAA), 42 U.S.C. § 7413, which applies to the AIM act and any regulation promulgated thereunder, to pursue enforcement actions for violations of the AIM Act and its implementing regulations, including the issuance of compliance orders, the assessment of administrative penalties, and/or the initiation of civil or criminal actions. See 42 U.S.C. § 7675(k)(1)(C).

To resolve the potential violations identified in the enclosure, the EPA requests that a representative of the facility contact Aleeka Broner, of my staff at (404) 562-9186, or via email at broner.aleeka@epa.gov, within **fifteen (15) calendar days** of receipt of this letter to make arrangements to discuss the potential violations and the EPA's possible enforcement action. Please note that the EPA will have legal representation during these discussions. Please inform Aleeka Broner if you intend to have legal representation present as well.

You may voluntarily submit any documentation or information that you would like the EPA to review in advance of any in person meeting or teleconference on the matter as to why you believe the EPA should not take an enforcement action with respect to the above-mentioned potential violations. If you decide to submit such documentation or information, the EPA respectfully requests that you do so two weeks in advance of the meeting or teleconference. If you have questions regarding the type of information that should be submitted to the EPA or any other questions regarding this matter, please contact Aleeka Broner at the contact information identified above.

Sincerely,

Todd Groendyke
Chief
South Air Enforcement Section

Enclosure

**Enclosure:
List of Potential Violations**

Date of Arrival	Port of Entry	Country of Origin	Subject HFC/HFC Blend and Mass (in kg)	Number and Type of Containers	Exchange Value (EV)¹	HFC Allowances Needed (MTEVe)²
12/21/23	Los Angeles/Long Beach Seaport, CA	China	R-404A (1,482.4 kg total, at approx. 10.9 kg each)	136 cylinders	3,922	5,813.4

¹ Exchange value means “the value assigned to a regulated substance in accordance with AIM Act subsection (c) and (e), as applicable, and as provided in Appendix A of 40 C.F.R. Part 84.”

² 40 C.F.R. § 84.3 defines exchange value equivalents (EVe) as “the exchange value-weighted amount of a regulated substance obtained by multiplying the mass of a regulated substance by the exchange value of that substance.” The EPA calculates metric tons of EVe (MTEVe) by multiplying the mass of the regulated substance in kg by the exchange value of the bulk regulated substance and dividing the product by 1,000, pursuant to 40 C.F.R. § 84.3.