

**U. S. ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D. C.**

In the Matter of:)	
Crowley Maritime Corporation)	Administrative Settlement
Respondent.)	Agreement
)	AED/MSEB # 7831

This Administrative Settlement Agreement is made and entered into by and between the United States Environmental Protection Agency (EPA) and Crowley Maritime Corporation and its subsidiaries (Respondent), regarding Respondent's compliance with the requirements of the Clean Air Act (CAA) and the regulations promulgated thereunder at 40 C.F.R. Part 80, Subpart I (Diesel Sulfur Rules).

Purpose:

1. The purpose of this Administrative Settlement Agreement is to resolve alleged noncompliance by Respondent with the requirements of the Diesel Sulfur Rules.

Statutory and Regulatory Authority:

2. EPA promulgated the Diesel Sulfur Rules pursuant to Sections 211(c) and 211(i) of the CAA, 42 U.S.C. § 7545(c) and (i).
3. The Diesel Sulfur Rules are part of a comprehensive national program that will greatly reduce emissions from diesel engines by integrating engine and fuel controls.
4. As a result of Alaska's unique geography, meteorology, air quality, and economic conditions, the Diesel Sulfur Rules provide special flexibilities within the state.

5. 40 C.F.R. § 80.598 requires diesel fuel distributors to designate and track the diesel fuels and other distillate fuels that they distribute.
6. 40 C.F.R. § 80.590 requires diesel fuel distributors to include specific language on product transfer documents.
7. 40 C.F.R. § 80.600(b) requires diesel fuel distributors to maintain certain records relating to the receipt and delivery of diesel fuel.
8. 40 C.F.R. §§ 80.601(a) and (b) require diesel fuel distributors to submit quarterly and annual compliance reports relating to the receipt and delivery of diesel fuel.
9. 40 C.F.R. § 80.598(b)(9)(xiii) requires any party that distributes high sulfur nonroad, locomotive, and marine (NRLM) diesel fuel in the state of Alaska to segregate the high sulfur NRLM from other diesel fuels unless otherwise approved by EPA in a refiner compliance plan.

Background

10. On September 5, 2008, Respondent met with EPA and informed the agency that it failed to comply with a number of requirements of the Diesel Sulfur Rules. Based upon the information Respondent provided to EPA during this meeting and in a number of subsequent submittals, EPA alleges that Respondent violated the following regulations:
 - a. 40 C.F.R. § 80.598 by failing to comply with the designate and track requirements for all highway diesel fuel it transported and sold from June 1, 2006 through June 1, 2008
 - b. 40 C.F.R. § 80.590 by failing to include the appropriate language on its product transfer documents for all highway diesel fuel it transported and sold from June 1, 2006 through June 1, 2008.

- c. 40 C.F.R. § 80.600(b) by failing to maintain the records relating to the receipt and delivery of highway diesel fuel that it transported and sold from June 1, 2006 through June 1, 2008.
 - d. 40 C.F.R. § 80.601(a) and (b) by failing to submit quarterly and annual compliance reports relating to the receipt and delivery of highway diesel fuel that it transported and sold from June 1, 2006 through June 1, 2008.
 - e. 40 C.F.R. § 80.598 by failing to comply with the designate and track requirements for all NRLM fuel it transported and sold from June 1, 2007 through June 1, 2008.
 - f. 40 C.F.R. § 80.590 by failing to include the appropriate language on its product transfer documents for all NRLM fuel it transported and sold from June 1, 2007 through June 1, 2008.
 - g. 40 C.F.R. § 80.600(b) by failing to maintain the records relating to the receipt and delivery of NRLM diesel fuel that it transported and sold from June 1, 2007 through June 1, 2008.
 - h. 40 C.F.R. § 80.601(a) and (b) by failing to submit quarterly and annual compliance reports relating to the receipt and delivery of NRLM diesel fuel that it transported and sold from June 1, 2007 through June 1, 2008.
 - i. 40 C.F.R. § 80.598(b)(9)(xiii) by failing to segregate all high sulfur NLRM produced pursuant to a small refiner compliance plan that it purchased, transported or sold from June 1, 2007 through June 1, 2008.
11. Respondent informed EPA that it has implemented a comprehensive plan to comply with the Diesel Sulfur Rules.

Civil Penalty:

12. Respondent agrees to pay a civil penalty of \$270,000 to the United States of America within thirty (30) calendar days of the effective date of this Agreement (penalty due date), but not before the effective date. Late payment of the penalty is subject to interest and fees as specified in 31 U.S.C. § 3717. Respondent agrees to pay the amount by either:
- a. Certified check or cashier's check payable to the "United States of America," and mailed via the United States Postal Service to:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, MO 63197-9000
ATTN: AED/MSEB # 7831

Simultaneously, a photocopy of the check shall be faxed to (303) 312-6003 to the attention of Jeff Kodish. This check shall be identified with the case number and Respondent's name; or

- b. Respondent may make an online payment through the Department of the Treasury by visiting WWW.PAY.GOV. In the "Search Public Forms" field, enter "SFO 1.1", click "EPA Miscellaneous Payments - Cincinnati Finance Center" and complete the "SFO Form Number 1.1." Within twenty-four hours of payment, Respondent shall fax a copy of the online payment receipt to Jeff Kodish at (303) 312-6007.

Stipulated Penalties:

13. Respondent agrees to pay stipulated penalties of \$1,000 per day for failure to timely pay the penalty, or provide proof thereof, pursuant to Paragraph 12.

General Provisions:

14. This Agreement becomes effective upon the date executed by EPA (effective date of the Agreement), at which time a copy will be returned to Respondent.
15. Notwithstanding any other provision of this Agreement, the parties agree that upon default or failure of Respondent to comply with the terms of this Agreement, EPA may refer this matter to the United States Attorney General for collection pursuant to CAA section 205(c), 42 U.S.C. § 7524(c), commence an action to enforce this Agreement or to recover the civil penalty pursuant to CAA section 205, or pursue any other remedies available to it. Respondent expressly waives its right to assert that such action is barred by 28 U.S.C. § 2462, other statutes of limitation, or other provisions limiting actions as a result of the passage of time.

Respondent acknowledges that its tax identification number may be used for the purpose of collecting or reporting any delinquent monetary obligation arising from this agreement. (*See* 31 U.S.C. § 7701)

16. The parties represent that the individual or individuals executing this Agreement on behalf of Respondent are authorized to do so and that such execution is intended and is sufficient to bind Respondent, its agents, assigns, or successors.
17. Respondent waives its rights, if any, to a hearing, trial or any other proceeding on any issue of fact or law relating to the matters consented to herein.
18. The validity, enforceability, and construction of all matters pertaining to this Agreement shall be determined in accordance with applicable federal law.
19. The Effect of Agreement provisions of Paragraph 20 are contingent upon the truthfulness, material accuracy and material completeness of Respondent's disclosures and representations to EPA prior to the effective date of this Agreement, including but not limited to representations described in Paragraphs 10 and 11 of this Agreement.

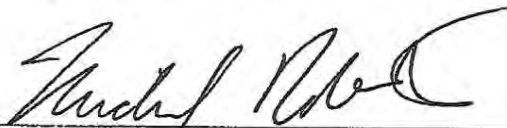
Effect of Agreement:

20. Upon Respondent's payment of the civil penalty in accordance with Paragraph 12 of this Agreement, the alleged violations described shall be deemed terminated and resolved. Nothing herein shall limit the right of EPA to proceed against Respondent in the event of default or noncompliance with this Agreement, for violations of CAA section 211, 42 U.S.C. § 7545, which are not the subject matter of this Agreement, for other violations of law, or with respect to other matters not within the scope of the Agreement. This Agreement in no way affects or relieves

Respondent of responsibility to comply with other state, federal, or local laws or regulations.

The following agree to the terms of this Agreement:

Crowley Maritime Corporation

By:  Date: 7/6/09
Typed or Printed Name: Michael G. Roberts
Typed or Printed Title: Sr. VP & General Counsel
Federal Tax Identification Number: 94-3148464

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United States Environmental Protection Agency

By: Pamela J. Mazakas
Pamela J. Mazakas, Acting Director
Air Enforcement Division
Office of Civil Enforcement

Date: 7/22/09