

Terms of Agreement

4. The parties agree that the settlement of this matter is in the public interest and that this Settlement Agreement ("Agreement") is the most appropriate means of resolving the matter.

5. The parties stipulate and agree to the following matters. It is further agreed that these stipulations are applicable to this Agreement and any enforcement or penalty proceeding arising out of this Agreement or the subject matter of this Agreement:

a. At all relevant times, Respondent was a wholesale purchaser-consumer as defined within the meaning of 40 C.F.R. § 80.2.

b. On March 28, 1997, EPA inspected LTV Steel, located at 4658 Second Avenue, Pittsburgh, Pennsylvania 15207.

c. During the inspection, samples of diesel fuel were taken from the propulsion tanks of five (5) of LTV Steel's 1988 GMC Trucks. Truck # 1, VIN: KW004567, had a sulfur content of .0846 wt. percent; Truck # 2, VIN: KW004568, had a sulfur content of .0866 wt. percent; Truck # 3, VIN: KW004569, had a sulfur content of .0900 wt. percent; Truck # 4, VIN: KW004570, had a sulfur content of .0899 wt. percent; and Truck # 5, VIN: G2JV523842, had a sulfur content of .1582 wt. percent.

d. As a result of the inspection, EPA determined that LTV Steel introduced or caused or allowed the introduction into the five (5) motor vehicles described above diesel fuel whose sulfur content exceeded the 0.05 wt. percent standard. Therefore, LTV Steel is liable for five (5) violations of § 211(g) of the Act, 42 U.S.C. § 7545(g).

e. Jurisdiction to settle this matter exists pursuant to § 211 of the Clean Air Act, 42 U.S.C. § 7545, 40 C.F.R. § 80.20, and other provisions of law.

6. After considering the gravity of the alleged violations and Respondent's history of compliance with the regulations, EPA has determined to remit and mitigate the civil penalty to \$15,000 subject to successful completion of the terms of this Agreement.

Respondent agrees to pay \$15,000 to the United States of America within thirty (30) days from the date that this Agreement is executed by EPA ("the due date"). In accordance with

the Debt Collection Act of 1982, if the debt is not paid within 30 days following the due date, interest will accrue from the due date at the rate of eight percent (8%) per annum through the date of actual payment. A late payment handling charge of \$20.00 will also be imposed if the amount is not paid by the due date, with an additional charge of \$10.00 for each subsequent 30 day period. A six percent (6%) per annum penalty will be applied on any principal amount not paid within ninety (90) days of the due date.

Respondent agrees to pay the amount by certified check or cashier's check payable to the "United States of America," and to mail the payment to:

U.S. Environmental Protection Agency
Washington Accounting Operations
P.O. Box 360277M
Pittsburgh, Pennsylvania 15251
Attn: AED/MSEB - 4773

A photocopy of the check shall be mailed simultaneously to:

J. L. Adair, Attorney/Advisor
U.S. Environmental Protection Agency
Mobile Source Enforcement Branch
Air Enforcement Division (2242-A)
401 M Street, S.W.
Washington, D.C. 20460
Attn: AED/MSEB - 4773

7. Time is of the essence to this Agreement. Upon failure to timely perform pursuant to paragraph 6 of this Agreement, Respondent agrees to pay a stipulated penalty of \$30,000 and the amount of the economic benefit or savings resulting from the violations. Upon such default this amount shall be immediately due and owing. The parties further agree that upon such default or failure to comply, EPA may refer this matter to the United States Attorney General for collection pursuant to § 211(d) of the Clean Air Act, 42 U.S.C. § 7545(d), commence an action to enforce this Agreement or to recover the civil penalty pursuant to § 211 of the Clean Air Act; or pursue any other remedies available to it. Respondent specifically agrees that in the event of such default or failure to comply, EPA may proceed in an action based on the original claim of violation of § 211 of the Clean Air Act, 42 U.S.C. § 7545, and 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 passage of time.

8. This Agreement becomes effective upon the date accepted by EPA, at which time a copy will be returned to Respondent.

9. Respondent hereby represents 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.

10. 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.

11. The terms of this Agreement are contractual and not a mere recital. If any provision or provisions of this Agreement are held to be invalid, illegal or unenforceable, the remaining provisions shall not in any way be affected or impaired thereby.

12. The validity, enforceability, and construction of all matters pertaining to this Agreement shall be determined in accordance with applicable federal law.

13. Upon completion of the terms of this Agreement, this matter 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 § 211 of the Clean Air Act, 42 U.S.C. § 7545, which are not the subject matter of this Agreement; or 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 law or regulations.

The following agree to the terms of this Agreement:

LTV Steel Company, Inc.

by: J. James Murray
J. James Murray
General Manager-Raw Materials
and Coke Operations

Date: 2/16/98

United States
Environmental Protection Agency

by: Richard Biondi / R
Bruce C. Buckheit, Director
Air Enforcement Division
Office of Enforcement and Compliance Assurance

Date: 5/5/98



ATTACHMENT 1

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

5.

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

Mr. Ronald P. Callihan, Area Manager for Environment
LTV Steel Company
4658 Second Avenue
Pittsburgh, PA 15207

Re: File No. AED/MSEB - 4773

NOTICE OF VIOLATION OF THE CLEAN AIR ACT AND
REQUEST FOR INFORMATION PURSUANT TO SECTION 114 OF THE
CLEAN AIR ACT

Dear Mr. Callihan:

On March 28, 1997, authorized representatives of the United States Environmental Protection Agency ("EPA") inspected LTV Steel Company ("LTV"), located at 4658 Second Avenue, Pittsburgh, Pennsylvania 15207. The inspection was conducted to determine compliance with § 211(g) of the Clean Air Act ("Act"), 42 U.S.C. § 7545(g), and the regulations issued thereunder (40 C.F.R. Part 80). The misfueling provision of the Act provides that no person shall introduce or cause or allow the introduction into any motor vehicle of diesel fuel which such person knows or should know contains a concentration of sulfur in excess of 0.05 percent (by weight). Where inappropriate fuels are used in internal combustion engines, the emissions of harmful gases can increase significantly. Notwithstanding improvements in vehicle emission controls, emissions from motor vehicles continue to make up a very large portion of all air pollution. Congress has established a program of improvement and regulation of fuels to protect our air quality from unnecessary pollution associated with the misfueling of vehicles. This law also subjects violators to a maximum civil penalty of \$25,000 per day for each violation in addition to recovery of the amount of the economic benefit or savings resulting from the violation.

As a result of the inspection, EPA has determined that LTV introduced or caused or allowed the introduction into five of its motor vehicles diesel fuel whose sulfur content exceeded the 0.05 wt. percent standard. See Enclosure. Therefore, LTV is liable for five (5) violations of § 211(g) of the Act, 42 U.S.C. § 7545(g).

Sections 211 and 205 of the Act, 42 U.S.C. §§ 7545 and 7524, authorize the Administrator of EPA to assess a civil penalty of up to \$25,000 for every day of each violation and the economic benefit or savings resulting from the violations. Section 205(c) further authorizes the Administrator to compromise or remit, with or without conditions, any such penalty. After consideration of the magnitude and the gravity of the violation, the apparent size of your business, and your history of compliance with the Fuels Regulations, we propose a civil penalty for the violations alleged in this Notice of \$15,000.

The U.S. Environmental Protection Agency encourages early settlement of such matters. The settlement process provides substantial flexibility for reducing the proposed penalty, particularly if the alleged violations were corrected promptly. If we cannot settle this matter promptly, we reserve the right to file an administrative complaint or refer this matter to the United States Department of Justice with a recommendation to file a civil complaint in federal district court.

The EPA attorney designated below has been assigned to this case. All information should be sent to the case attorney. Please contact this attorney regarding the Notice of Violation and Request for Information.

Jocelyn L. Adair, Attorney
U.S. Environmental Protection Agency
Mobile Sources Enforcement Branch (2242-A)
Air Enforcement Division
401 M Street, S.W.
Washington, D.C. 20460
Phone number: (202) 564-1011

Please let me once again emphasize that while we take our obligation to enforce these requirements seriously, we will make every effort to reach an equitable settlement in this matter.

Sincerely yours,

Bruce C. Buckheit

Bruce C. Buckheit, Director
Air Enforcement Division

Enclosure

ENCLOSURE

Motor Vehicle

Sulfur Content

Truck # 1, VIN: KW004567	0.0846 wt. %
Truck # 2, VIN: KW004568	0.0866 wt. %
Truck # 3, VIN: KW004569	0.0900 wt. %
Truck # 4, VIN: KW004570	0.0899 wt. %
Truck # 5, VIN: G2JV523842	0.1582 wt. %