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U. S. ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D. C.

\_\_\_\_\_ )  
**In the Matter of:** )  
 )  
**The Premcor Refining Group Inc.** )  
 )  
**Respondent.** )  
 \_\_\_\_\_ )

SETTLEMENT AGREEMENT

AED/MSEB - 4937

**THIS AGREEMENT** is made and entered into by and between the United States Environmental Protection Agency ("EPA") and The Premcor Refining Group Inc. (previously known as Clark Refining and Marketing, Inc.) located at 8182 Maryland Avenue, Clayton, MO ("Respondent").

Preliminary Statement

1. On August 17, 1999, a Notice of Violation ("Notice") was issued to Respondent for a violation of § 211(k) of the Clean Air Act ("Act"), 42 U.S.C. § 7545(k), and the reformulated gasoline ("RFG") regulations issued thereunder at 40 C.F.R. Part 80, subpart D ("regulations"). EPA regulations require that gasoline sold or used in RFG covered areas must meet the RFG standard for VOC emissions performance reduction specified in 40 C.F.R. § 80.41. This law also provides that no person shall manufacture or sell any gasoline represented as reformulated and/or intended for sale or use in any covered area unless such gasoline meets the applicable standards specified in 40 C.F.R. § 80.41. These laws subject violators to a maximum civil penalty of up to \$27,500 per day for each such violation plus the economic benefit or savings resulting from the violations.

2. After considering the gravity of the violations, the economic benefit or savings (if any)

resulting from the violations, Respondent's history of compliance with the Act, the size of Respondent's business, the effect of the penalty on Respondent's ability to continue in business, and such other matters as justice may require, in its Notice EPA proposed that respondent request that the Respondent contact me in order to attempt to reach an equitable settlement, as opposed to simply a proposed penalty, due to the recurring nature of the violations at these Clark branded retail outlets.

3. The parties, desiring to settle and resolve this matter, in consideration of the mutual covenants and agreements contained herein, which consideration is acknowledged by the parties to be adequate, agree as set forth herein.

#### **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 refiner as defined within the meaning of 40 C.F.R. § 80.2.
- b. Between June 2 and August 3, 1998, directed inspections of four (4) Clark Stores in the State of Wisconsin were conducted. The four stores, Clark Stores #69, #1307, #1560, and #1656, are branded retail outlets owned by Clark Refining and Marketing, Inc., the Refiner/Distributor. All four (4) retail outlets are in an area covered under the RFG program during the VOC control period. The directed inspection was conducted to determine compliance with section 211(k) of the Act, 42 U.S.C. §

7545(k), and the regulations issued thereunder (40 C.F.R. Part 80, subpart D).

- c. As a result of the directed inspection EPA has alleged that the Respondent, a refiner of Reformulated Gasoline ("RFG"), manufactured and sold RFG, at all four Clark retail outlets, that failed to meet the minimum VOC emissions performance reduction standard of 13.1 percent. The sample of premium grade unleaded RFG taken from Respondent, had VOC emissions performance reduction as follows:

RETAIL OUTLET NAME	ADDRESS	GRADE	STANDARD	SAMPLE TESTED
Clark Store #69	301 S. Main/Highway ES Mukwonago, WI 53149	premium	13.1	-16.79
Clark Store #1307	5030 W. Loomis Rd. Greenfield, WI 53220	premium	13.1	9.97
Clark Store #1560	S73 W16680 W. Janesville Rd. Muskego, WI 53150	premium	13.1	-2.24
Clark Store #1656	1020 Washington Street Grafton, WI 53024	premium	13.1	10.05

- d. As the refiner who manufactured and/or sold the gasoline found to be in violation, Respondent is liable for four (4) violations of 40 C.F.R. § 80.78(a)(1) pursuant to 40 C.F.R. § 80.79(a)(2) and 40 C.F.R. § 80.79(a)(3).
- e. By entering into this Agreement Respondent makes no admission of fact nor does Respondent admit that it has violated any provisions of law.
- f. Jurisdiction to settle this matter exists pursuant to § 211 of the Act, 42 U.S.C. § 7545, 40 C.F.R. § 80.20, and other provisions of law.
6. Respondent agrees to pay \$15,000 to the United States of America within sixty (60)

days from the date that this Agreement is executed by EPA and returned to Respondent by certified mail return receipt requested ("the due date"). In accordance with the Debt Collection Act of 1982, 31 U.S.C. § 3717, if the debt is not paid within 30 days following the due date, interest will accrue from the due date through the date of actual payment. Interest will be computed in accordance with section 3717(a) of the Debt Collection Act. A late payment handling charge of Twenty (\$20.00) Dollars will also be imposed if the amount is not paid by the due date, with an additional charge of Ten (\$10.00) Dollars for each subsequent 30 day period.

Respondent agrees to pay the amount by check made 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 - 4937

A photocopy of the check shall be mailed or faxed simultaneously to:

Jacqueline Robles Werner, Attorney  
U.S. Environmental Protection Agency  
Air Enforcement Division  
Ariel Rios Building  
1200 Pennsylvania Avenue, N.W.  
Mail Code 2242-A  
Room 1109A  
Washington, D.C. 20460  
Attn.: AED/MSEB - 4937  
Fax: (202)564-0069

7. Time is of the essence to this Agreement. Upon failure to perform pursuant to paragraph 6 of this Agreement, Respondent agrees to pay the maximum civil penalty of \$27,500 for each violation (\$110,000 total). 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 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 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 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 executed 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.

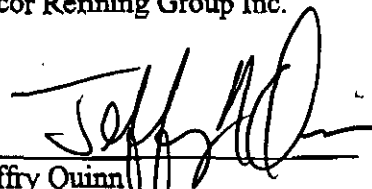
12. The validity, enforceability, and construction of all matters pertaining to this Agreement shall be determined in accordance with applicable federal law.

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 section 211 of the 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:

The Premcor Refining Group Inc.

by:   
Jeffrey Quinn  
Executive Vice President  
and General Counsel

Date: 2/22/02

United States  
Environmental Protection Agency

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

Date: 3/14/02