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

In the Matter of:)

ExxonMobil Oil Corporation)

(formerly known as:)
Mobil Oil Corporation))

Respondent.)
_____)

SETTLEMENT AGREEMENT

AED/MSEB - 6057

THIS AGREEMENT is made and entered into by and between the United States Environmental Protection Agency (hereafter "EPA") and ExxonMobil Oil Corporation (formerly Mobil Oil Corporation), located at 3225 Gallows Road, Fairfax, Virginia 20037-0001 (hereafter "Respondent" or "ExxonMobil").

Preliminary Statement

1. On November 29, 2001, a Notice of Violation ("Notice") (attached as Exhibit A) was issued to Respondent for alleged violation of § 211(k) of the Clean Air Act ("Act"), 42 U.S.C. § 7545(k), and the fuels regulations promulgated thereunder at 40 C.F.R. Part 80 ("regulations"). The EPA fuels regulations require reformulated and conventional gasoline to meet certain emission standards and impose on refiners a number of quality assurance, record keeping, and reporting requirements. Violators of this law are subject to a maximum civil penalty of \$27,500 per day for each violation and the amount of the economic benefit or savings resulting from the violation.

2. After considering the gravity of the alleged violations, Respondent's history of compliance with the regulations, and the size of Respondent's business, EPA proposed in the Notice a civil penalty of \$55,000.
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 proceedings arising out 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. During October 1997, EPA audited Respondent to determine compliance with § 211(k) of the Act, 42 U.S.C. § 7545(k), and the fuels regulations issued thereunder at 40 C.F.R. Part 80.
 - c. As a result of EPA's audit of Mobil, EPA alleged that Mobil failed to comply with the fuels regulations as follows:
 - (1) failed to sample the requisite number of batches pursuant to 40 C.F.R. § 80.127;
 - (2) failed to keep original test results pursuant to 40 C.F.R. § 80.74;
 - (3) utilized an improper test methodology in the use of the Fluorescent

Indicator Absorption ("FIA") equipment, pursuant to 40 C.F.R. § 80.46;

(4) failed to correlate from the FIA to the GCMS method as required pursuant to 40 C.F.R. § 80.46(f)(3)(ii); and

(5) failed to report approximately 19 million gallons of gasoline (or ~ 6.5 days in January and February of 1996) pursuant to 40 C.F.R. § 80.75.

d. By entering into this Agreement Respondent makes no admission of fact nor does Respondent admit that it has violated any provisions of law.

6. Jurisdiction to settle this matter exists pursuant to § 211 of the Act, 42 U.S.C. § 7545, 40 C.F.R. Part 80, and other provisions of law.

7. After considering the gravity of the alleged violations, Respondent's history of compliance with the regulations, the economic benefit or savings resulting from the violations, Respondent's size of business, and actions taken to remedy the violations, EPA has determined to mitigate the civil penalty to \$25,000 subject to successful completion of the terms of this Agreement.

Respondent agrees to pay \$25,000 to the United States of America within sixty (60) days from the date Respondent receives a copy of the fully executed Agreement from EPA by facsimile and certified mail ("the due date"). Late payment of the civil penalty is subject to interest and fees as specified in 31 U.S.C. § 3717. EPA shall send the copy of the fully executed Agreement to:

Donald H. Daigle, Director
Americas Region
Exxon Mobil Corporation
3225 Gallows Road, Room 6B2106
Fairfax, Virginia 20037-0001

A copy of the executed Agreement shall also be faxed to:

Margaret S. Bass, Attorney
Exxon Mobil Corporation
Fax: (703) 846-5872

Respondent agrees to pay the amount by corporate 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 - 6057

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

Jacqueline Robles Werner, Esq.
U.S. Environmental Protection Agency
Mobile Source Enforcement Branch
Air Enforcement Division
Mail code 2242-A
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460
Attn.: AED/MSEB - 6057
Fax: (202)564-0069

8. Upon failure to perform, pursuant to paragraph 7 of this Agreement, within 180 days of the due date, Respondent agrees to pay a stipulated penalty of \$15,000. This stipulated penalty is in addition to the penalty due pursuant to paragraph 7. Upon such default this amount shall be immediately due and owing.
9. ExxonMobil's timely payment of \$25,000 (or compliance with paragraph 8, if applicable) will settle and conclude all claims between the EPA and ExxonMobil arising out of or relating to the allegations and conduct identified in the Notice and paragraph 5 above, including costs and attorney's fees. Upon receiving notification of ExxonMobil's compliance with paragraph 7 herein (or compliance with paragraph 8, if applicable), EPA will issue a letter to ExxonMobil releasing ExxonMobil from all such claims applicable to, and arising out of, this Agreement. EPA shall send the aforementioned letter to the individuals identified in paragraph 7.

10. If ExxonMobil fails to timely pay pursuant to paragraph 7, and fails to comply with paragraph 8, EPA may commence an action to enforce this Agreement; or void this Agreement and proceed in an action based on the original claim of violation of § 211 of the Act, 42 U.S.C. § 7545; or refer this matter to the United States Attorney General for collection pursuant to § 211(d) of the Act, 42 U.S.C. § 7545(d); or pursue any other remedies available to it.
11. This Agreement becomes effective upon the date executed by EPA, at which time a copy will be returned to Respondent.
12. 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.
13. 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.
14. 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.
15. The validity, enforceability, and construction of all matters pertaining to this Agreement shall be determined in accordance with applicable federal law.
16. Upon Respondent's timely payment of \$25,000 to the United States, pursuant to the provisions of paragraph 7, or compliance with the provisions of paragraph 8, 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 enforcement of this Agreement; or for violations of § 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 its responsibility to comply with other state, federal or local laws or regulations.

The following agree to the terms of this Agreement:

ExxonMobil Oil Corporation

by: Donald H. Daigle
Donald H. Daigle, Director
Americas Region

Date: 10/21/02

United States Environmental Protection Agency

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

Date: 11-18-02

Concurrences:
