

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

	)	
<b>In the Matter of:</b>	)	
	)	
<b>Hunt Refining Company</b>	)	<b>SETTLEMENT AGREEMENT</b>
	)	<b>AED/MSEB - 7020</b>
<b>Respondent.</b>	)	
	)	

**THIS AGREEMENT** is made and entered into by and between the United States Environmental Protection Agency (EPA) and Hunt Refining Company, 1855 Fairlawn Road, Tuscaloosa, Alabama 53401 (Respondent or Hunt).

**Preliminary Statement**

1. On November 18, 2003, a Notice of Violation was issued to Respondent for five (5) violations of Section 211(k) of the Clean Air Act (CAA), 42 U.S.C. § 7545(k), and the volatility fuels regulations promulgated thereunder at 40 C.F.R. Part 80. See Attachment. The volatility regulations, 40 C.F.R. §§ 80.27 and 80.28, provide that no refiner may sell, offer for sale, dispense, supply, offer for supply, or transport gasoline whose volatility exceeds the applicable standard. The regulations, at 40 C.F.R. § 80.27(a)(2), further provide that the applicable Reid vapor pressure (RVP) standard for the gasoline produced by Hunt was 9.0 pounds per square inch (psi).
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 \$102,700 (the proposed penalty).
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. By entering into this Agreement, Respondent does not admit that it is in any way responsible for the alleged violations or that any violations have occurred.

6. 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. On June 18, 2002, EPA conducted an audit of the Anti-Dumping Batch Reports from Hunt's refinery located in Tuscaloosa, Alabama. The investigation was conducted to determine compliance with the CAA and the Fuels Regulations.
  - c. As a result of the audit, EPA alleged that Respondent produced five (5) batches of conventional gasoline whose RVP exceeded 9.0 psi. See Attachment.
7. During negotiations, Respondent proffered evidence showing that although it had produced the gasoline during the high ozone season only two (2) of the batches (i.e., Batch numbers 4080-02856-99-000135 and 4080-02856-99-000159) had been offered for sale or distributed during the high ozone season. Moreover, Hunt's inventory records and shipping documents clearly and convincingly demonstrated that three (3) of the five batches of gasoline did not leave the refinery until after September 15<sup>th</sup>. EPA was therefore persuaded to drop three (3) of the violations for Batch numbers: 4080-02856-02-000159; 4080-02856-02-000160; and, 4080-02856-02-000161.
8. 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 \$55,000 subject to the successful completion of the terms of this Agreement.

Respondent agrees to pay \$55,000 to the United States of America within thirty (30) days from the date that this Agreement is executed by EPA and returned to Respondent by certified mail return receipt requested (the due date). Late payment of the civil penalty is subject to interest and fees as specified in 31 U.S.C. § 3717.

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 - 7020

A photocopy of the check shall be mailed simultaneously to:

J. L. Adair, Attorney/Advisor  
U.S. Environmental Protection Agency  
AED/MSEB (2242A)  
1200 Pennsylvania Avenue, N.W.  
Washington, D.C. 20460  
Attn.: AED/MSEB - 7020

9. Time is of the essence to this Agreement. Upon failure to timely perform pursuant to paragraph 8 of this Agreement, Respondent agrees to pay a stipulated penalty of \$55,000. This stipulated penalty is in addition to the proposed penalty. 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.
  - (a). EPA agrees to provide a written notice to Respondent before finding Respondent in default of this Agreement. EPA agrees to send the notice by certified mail, return receipt requested. Respondent shall have five (5) business days to receive the notice in the mail. Thereafter, Respondent shall have ten (10) business days to cure the default. The notice shall be sent to Respondent at its last known business address.
10. This Agreement becomes effective upon the date executed by EPA, at which time a copy will be returned to Respondent.
11. 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.
12. 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.
13. 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.
14. The validity, enforceability, and construction of all matters pertaining to this Agreement shall be determined in accordance with applicable federal law.

15. 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:

Hunt Refining Company

by:   
*175 Vice President and General Counsel*

Date: 14 April 2004

United States

Environmental Protection Agency

by:   
Adam Kushner  
Acting Director  
Air Enforcement Division

Date: 7/28/04



ATTACHMENT



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

November 18, 2003

OFFICE OF  
ENFORCEMENT AND  
COMPLIANCE ASSURANCE

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Steve Jackson  
Superintendent  
Hunt Refining Company  
1855 Fairlawn Road  
Tuscaloosa, Alabama 35401

Re: File No. AED/MSEB - 7020

Dear Mr. Jackson:

Authorized representatives of the U.S. Environmental Protection Agency (EPA) conducted an audit of the Reformulated Gasoline and Anti-Dumping batch reports of Hunt Refining Company (Hunt) to determine compliance with Section 211 of the Clean Air Act (the Act), 42 U.S.C. § 7545(k), and the regulations issued thereunder at 40 C.F.R. Part 80.

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 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 misfueling of vehicles.

The volatility regulations, 40 C.F.R. §§ 80.27 and 80.28, provide that no refiner may sell, offer for sale, dispense, supply, offer for supply, or transport gasoline whose volatility exceeds the applicable standard. The regulations, at 40 C.F.R. § 80.27(a)(2), further provide that the applicable Reid vapor pressure (RVP) standard for the gasoline produced by Hunt, which is the subject of this Notice of Violation, was 9.0 pounds per square inch (psi).

As a result of the audit, EPA has determined that Hunt produced and offered for sale five (5) batches of conventional gasoline that had a RVP that exceeded 9.0 psi. These gasoline batches are described in the following table. As the refiner who sold, offered for sale, dispensed, supplied, offered for supply, or transported gasoline that exceeded the volatility standard, Hunt is liable for five (5) violations of 40 C.F.R. § 80.27.

<b>Batch ID</b>	<b>Volume</b>	<b>Production</b>	<b>Grade</b>	<b>RVP</b>
4080-02856-99-000135	441,750	07/11/99	Reg	9.14
4080-02856-99-000159	345,756	08/14/99	Mid	9.18
4080-02856-02-000159	444,696	08/29/02	Reg	11
4080-02856-02-000160	541,212	08/30/02	Reg	11.16
4080-02856-02-000161	124,320	08/31/02	Reg	11.03

Hunt also failed to provide a certificate of analysis for Batch 4080-02856-99-000135 (Batch # 135). The anti-dumping regulations, at 40 C.F.R. § 80.104, require refiners to retain records of test results for relevant anti-dumping gasoline parameters for five (5) years, and to deliver these records to EPA upon request. Hunt's failure to provide the certificate of analysis for Batch # 135 constitutes a violation of 40 C.F.R. § 80.104.

This Notice of Violation is issued to Hunt pursuant to Sections 205 and 211 of the Act, 42 U.S.C. §§ 7524 and 7545, for the violations identified above. Sections 205 and 211 of the Act authorize EPA to assess a civil penalty of up to \$27,500 for every day of each such violation and the economic benefit or savings resulting from each violation. In determining the appropriate penalty for violations such as this, we consider the gravity of the violations, the economic benefit or savings (if any) resulting from the violations, the size of your business, your history of compliance with the Act, actions taken by you to remedy the violations and prevent future violations, the effect of the penalty on your ability to continue in business and other matters as justice may require. Based on these factors, we propose a civil penalty of \$102,700 for the violations alleged in this Notice of Violation.


We encourage early settlement of matters such as this. The settlement process provides substantial flexibility for reducing the proposed penalty. 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.

Please contact the EPA attorney identified below regarding this Notice:

Jocelyn L. Adair, Attorney  
U.S. Environmental Protection Agency  
Mobile Sources Enforcement Branch (2242-A)  
1200 Pennsylvania Avenue, N.W.  
Washington, D.C. 20460  
Phone number: (202) 564-1011

Let me emphasize that we take our obligation to enforce these requirements seriously. However, we will make every effort to reach an equitable settlement in this matter.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Bruce C. Buckheit" followed by a stylized flourish.

Bruce C. Buckheit, Director  
Air Enforcement Division