UNITED STATES

ENVIRONMENTAL PROTECTION AGENCY

Washington, D.C.

In the Matter of: ATKINSON DISTRIBUTING, INC.

Respondent.)

File No. AED/MSEB - 4958 SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered into by and between the United States Environmental Protection Agency (hereinafter "EPA") and Atkinson Distributing, Inc., located at 703 Michigan Ave., Orofino, Idaho 83544 (hereinafter the "Respondent").

A. Preliminary Statement

On September 15, 1999, a Notice of Violation was issued 1. to the Respondent alleging that the Respondent violated section 211 of the Clean Air Act ("the Act"), 42 U.S.C. § 7545, and the regulations promulgated thereunder at 40 C.F.R. Part 80. The Notice stated that on or before December 4, 1997 - December 6, 1997 and on January 7, 1998, diesel fuel which was dispensed at the Idaho Department of Transportation (IDOT), a wholesale purchaser-consumer facility (located at Grangeville, Idaho; Lucille, Idaho; Reed's Bar, Idaho; Kooskia, Idaho; and Bald Mountain, Idaho) for use in motor vehicles had a sulfur content of greater than 0.05% by weight, in violation of 40 C.F.R. § 80.29(a). The Notice also stated that the Respondent, as the diesel fuel distributor, was liable for this violation pursuant to 40 C.F.R. § 80.30(f). The Notice stated further that Respondent introduced into commerce, sold, offered for sale, supplied, dispensed, or offered for supply or transport diesel

fuel which contained a sulfur concentration in excess of 0.05% by weight.

2. After considering the gravity of the alleged violation, the size of Respondent's business, and the Respondent's history of compliance under the fuels regulations, the EPA proposed in the Notice a civil penalty of Ten Thousand Five Hundred Dollars (\$10,500) (hereinafter "the proposed penalty").

3. The EPA and the Respondent desire to settle this matter according to the mutual covenants and agreements contained herein. The consideration is acknowledged to be adequate, and the EPA and the Respondent agree as set forth herein.

B. <u>Terms of Agreement</u>

1. The EPA and the Respondent agree that the settlement of this matter is in the public interest and that this Agreement is the most appropriate means of resolving the matter.

2. The EPA and the Respondent stipulate and agree to the following facts. It is further agreed that these stipulations are applicable to this Agreement and any proceeding arising out of this Agreement or the subject matter of this Agreement:

a. At all relevant times, the Respondent was a distributor within the meaning of 40 C.F.R. § 80.2 and/or a person within the meaning of section 302(e) of the Clean Air Act 42 U.S.C. § 7602(e).

b. From December 4, 1997 - December 6, 1997 and on January 7, 1998, inspectors for the EPA inspected the IDOT facilities located at Grangeville, Idaho; Lucille, Idaho; Reed's Bar, Idaho; Kooskia, Idaho; and Bald Mountain, Idaho. During the inspection, the inspectors took a sample of low sulfur diesel fuel from

underground storage tanks at the five IDOT facilities and forwarded the samples to the EPA laboratory for analysis to determine their sulfur content. As a result of that analysis, the EPA determined that the diesel fuel contained in the five USTs had a sulfur content that was in excess of the amount allowed under 40 C.F.R. § 80.29 and section 211(g) of the Clean Air Act.

c. Respondent was the diesel fuel distributor which sold, offered for sale, supplied, dispensed or offered for supply or transport the diesel fuel in question.

d. Respondent implemented a policy to prevent future violations from occurring by assuring that its drivers follow written procedures with regard to deliveries of high and low sulfur diesel fuel.

e. 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.

After considering the gravity of the violation, the 3. Respondent's history of compliance with the fuels regulations, the circumstances of this case, the Respondent's ability to continue in business, the terms of this Agreement, and other facts presented by the Respondent, the EPA has determined to conditionally remit and mitigate the proposed civil penalty to Six Thousand Three Hundred Dollars (\$6,300) pending successful completion of the terms of this Agreement. The Respondent agrees to pay Six Thousand Three Hundred Dollars (\$6,300). The due date shall be thirty (30) days from the date the Agreement is signed by the EPA. Late payment of this civil penalty is subject to interest and fees as specified in 31 U.S.C. § 3717. The Respondent agrees to pay the amount due by cashier's check or

certified check payable to the "United States of America" and mailed to:

U.S. Environmental Protection Agency Washington Accounting Operations P.O. Box 360277M Pittsburgh, Pennsylvania 15251 ATTN: AED/MSEB - 4958

A copy of the check shall be forwarded simultaneously to Judith E. Graham at the following address:

> U.S. Environmental Protection Agency Western Field Office 12345 West Alameda Parkway, Suite 214 Denver, CO 80228

Timely performance is essential to this Agreement. Upon 4. failure to timely perform pursuant to paragraphs B(3) or B(4) of this Agreement, or upon default of or failure to comply with any terms of this Agreement by the Respondent, the entire proposed civil penalty of Ten Thousand Five Hundred Dollars (\$10,500) shall be immediately due and owing. The parties agree that upon such default or failure to comply, the 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. The Respondent specifically agrees that in the event of such default or failure to comply, the EPA may proceed in an action based on the original claim of violation of § 211 of the Act, 42 U.S.C. § 7545, and the 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.

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

6. The Respondent hereby represents that the individual or individuals executing this Agreement on behalf of the Respondent are authorized to do so and that such execution is intended and is sufficient to bind the Respondent, its officers, agents, directors, owners, heirs, assigns, and successors.

7. The Respondent waives its rights, if any, to a hearing, trial or any other proceeding on any issue of fact or law relating to matters consented to herein.

8. The terms of this Agreement are contractual and are not mere recitals. 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.

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

10. Upon completion of the terms of this Agreement, this matter shall be deemed terminated and resolved. Nothing herein shall limit the right of the EPA to proceed against the Respondent in the event of default or noncompliance with this Agreement; 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.

The following agree to the terms of this Agreement:

ATKINSON DISTRIBUTING, INC.

Uhar by William Atkinson

Atkinson Distributing, Inc.

United States Environmental Protection Agency

by:

Date:_/-/3-00

Date: 12-20

Bruce C. Buckheit, Director Air Enforcement Division