

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
Washington, D.C.

In the matter of:)
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)
)
Crown Central Petroleum Corporation)
)
Respondent.)

File No. MSEB/AED - 6013
SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered into by and between the United States Environmental Protection Agency (hereinafter "EPA") and Crown Central Petroleum Corporation located at One North Charles Street, Baltimore, MD 21201 (hereinafter "Respondent").

A. Preliminary Statement

1. On January 17, 2001, a Notice of Violations ("NOV") was issued by EPA to the Respondent, alleging that the Respondent had violated § 211 of the Clean Air Act ("Act"), 42 U.S.C. § 7545, and the regulations promulgated thereunder at 40 C.F.R. Part 80, Subpart G (the "detergent regulations").

2. EPA's NOV to the Respondent contained the following allegations:

a. On January 19-20, 1999, inspectors for EPA inspected Respondent's gasoline terminal located on 801 Butt Street in Chesapeake, VA ("Respondent's Chesapeake Terminal") to determine compliance with the detergent regulations.

b. As a result of that inspection, EPA determined that Respondent's Chesapeake Terminal was out of compliance with the

requirements found in 40 C.F.R. §§ 80.157 and 80.170 of the detergent regulations because of its failure:

(i) To attain the detergent's volumetric additive reconciliation ("VAR") compliance standard in the gasoline it additized during the July, 1998 compliance period;

(ii) To create a VAR compliance record for the April, 1996 compliance period; and

(ii) To comply with a variety of record keeping requirements of the detergent regulations such as signing, dating, and certifying for correctness its VAR forms, accurately identifying the volumes of gasoline additized, recording the ratio of detergent concentration attained in the proper format, etc.

c. As the person that owned, leased, operated, controlled or supervised the blending operation at Respondent's Chesapeake Terminal where the violations occurred, Respondent was the detergent blender at that facility within the meaning of 40 C.F.R. § 80.140.

d. EPA further asserted in the NOV that, as the detergent blender, Respondent was liable for the eight (8) alleged violations of 40 C.F.R. §§ 80.155(b) or 80.168(b), as applicable, pursuant to 40 C.F.R. §§ 80.156(a)(4) or 80.169(a)(4), respectively.

3. After considering the gravity of the violations alleged and Respondent's history of compliance under the detergent regulations, EPA proposed in the NOV a civil penalty of twenty-seven thousand four hundred dollars (\$27,400).

4. In response to the NOV, Respondent challenged the factual and legal sufficiency of the allegations in the NOV. Respondent asserted it had valid defenses to all of the alleged violations and Respondent presented voluminous documentation to EPA in defense of its position that no violations occurred.

5. Although not concurring with all of Respondent's assertions or conclusions, as a result of the information presented by the Respondent, EPA has determined to reduce the penalty proposed in the NOV to ten thousand (\$10,000) dollars (the "amended proposed penalty").

6. 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.

B. Terms of Agreement

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

3. On January 19-20, 1999, inspectors for EPA inspected the detergent blending facility at Respondent's Chesapeake Terminal to determine compliance with the detergent regulations.

4. At all relevant times the Respondent was the detergent blender at Respondent's Chesapeake Terminal, within the meaning of 40 C.F.R. § 80.140.

5. As a result of EPA's January 19-20, 1999 inspection at Respondent's Chesapeake Terminal, on January 17, 2001, EPA issued an NOV to Respondent asserting a minimum of eight (8) violations of the detergent regulations at Respondent's Chesapeake Terminal.

6. After considering the gravity of Respondent's violations at its Chesapeake Terminal, the Respondent's history of compliance, the assertions in Respondent's reply to the NOV, the terms of this Agreement, and other facts presented by the Respondent, EPA has determined to conditionally remit and

mitigate the amended proposed penalty of the NOV to six thousand dollars (\$6,000).

7. As a means of resolving the allegations in the NOV, Respondent, without admitting any liability, agrees to pay to EPA a penalty of six thousand dollars (\$6,000) within sixty (60) days of receipt of the fully executed Settlement Agreement from the EPA (the "penalty due date"). Late payment of this civil penalty is subject to interest and fees as specified in 31 U.S.C. § 3717. Respondent agrees to pay this penalty to EPA by cashier's check or certified check, with the notation "AED/MSEB - 6013", payable to the "United States of America". The penalty is to be mailed to the following address:

U.S. Environmental Protection Agency
Washington Accounting Operations
P.O. Box 306277M
Pittsburgh, Pennsylvania 15251
Attention: AED/MSEB - 6013

A copy of the penalty check shall be simultaneously forwarded to Judy Lubow at the following address:

Judy Lubow, Attorney
U.S. Environmental Protection Agency
12345 West Alameda Parkway
Suite 214
Denver, CO 80228

8. Time is of the essence to this Agreement.

Upon failure to timely pay or perform by the payment due date listed in paragraph (B)7 of this Agreement, the entire amended proposed civil penalty of ten thousand dollars (\$10,000) shall immediately become due and owing. The parties agree that upon such default or failure to comply by Respondent, the EPA may commence an action to enforce this Agreement, or to recover the civil penalty pursuant to § 205 of the Clean Air 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 violations 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.

9. Nothing in this Agreement shall be deemed an admission of liability by the Respondent.

10. This Agreement becomes effective upon the date signed by the EPA, after which time a fully executed copy of the Agreement shall be returned to the Respondent.

11. The parties hereby represent that the individual(s) executing this Agreement on behalf of the respective party are authorized to do so and that such execution is intended and is sufficient to bind the party and, when applicable, its officers, agents, directors, owners, heirs, assigns, and successors.

12. 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 agreed 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 the EPA to proceed against the 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.

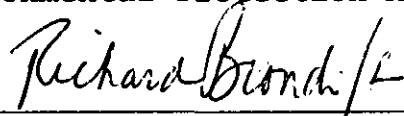
The following agree to the terms of this Agreement:

Crown Central Petroleum Corporation

by: 
Thomas L. Owsley
Senior Vice President, General
Counsel and Corporate Secretary

Date: September 14, 2001

**United States
Environmental Protection Agency**

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

Date: 10-9-01