

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
Washington, D.C.

In the matter of:

Louis Dreyfus Corporation

Respondent.

File No. MSEB/AED - 6012

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered into by and between the United States Environmental Protection Agency (hereinafter "EPA") and Louis Dreyfus Corporation located at 10 Westport Road, Wilton, Connecticut, 06897 (hereinafter "Respondent").

A. Preliminary Statement

1. On January 17, 2001, a Notice of Violations ("NOV") was issued by EPA to Transmontaigne, Inc. ("Transmontaigne"), a successor corporation to the Respondent, alleging that Transmontaigne 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 Transmontaigne contained the following allegations:

a. On January 19-26, 1999, inspectors for EPA inspected the Transmontaigne gasoline terminal located on 7600 Halifax Lane in Chesapeake, Virginia (the "Chesapeake Terminal") to determine compliance with the detergent regulations.

b. As a result of that inspection, EPA determined that the Chesapeake Terminal was out of compliance with the requirements found in 40 C.F.R. §§ 80.157 and 80.155(b) of the detergent regulations because of its failure to:

(i) Attain the detergent's volumetric additive reconciliation ("VAR") compliance standard in the gasoline it additized during eleven (11) compliance periods in 1996 - 1997;

(ii) Sign, date, and certify the correctness of VAR forms in the January, 1995 through December, 1998 time period;

(iii) Create a required VAR record for the January 1-9, 1996 compliance period;

(iv) Identify the proprietary additization nature of VAR compliance records in the January, 1995 through December, 1998 time period; and by

(v) Improperly including the same additization dates in multiple VAR records, in the May and June, 1995 compliance periods.

c. As the person that allegedly owned, leased, operated, controlled or supervised the blending operation at the Chesapeake Terminal where the violations occurred, Transmontaigne was the detergent blender at that facility within the meaning of 40 C.F.R. § 80.140, and was liable for these fifteen (15) violations of 40 C.F.R. § 80.155(b) pursuant to 40 C.F.R. § 80.155(a)(4).

3. After considering the gravity of the violations and Transmontaigne's history of compliance under the detergent regulations, EPA proposed in the NOV a civil penalty of fifty-three thousand eight hundred dollars (\$53,800).

4. In response to the NOV, Transmontaigne advised EPA that the Louis Dreyfus Corporation, a corporation whose subsidiary had owned and operated the Chesapeake Terminal prior to its sale to Transmontaigne, was responsible for the violations cited in the NOV since the violations had occurred during the operation of the terminal by the Louis Dreyfus subsidiary. In March, 2001, the Louis Dreyfus Corporation ("Respondent") assumed responsibility for the violations cited in the NOV.

5. After assuming responsibility, Respondent replied to the NOV and challenged the factual and legal sufficiency of several of the allegations in the NOV. As a result of the information presented by the Respondent, EPA has decided to reduce the penalty proposed in the NOV to thirty-three thousand one hundred and twenty-five dollars (\$33,125) (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 19-26, 1999, inspectors for EPA inspected the detergent blending facility at the Chesapeake Terminal to determine compliance with the detergent regulations.

4. As a result of EPA's January 19-26, 1999 inspection at the Chesapeake Terminal, on January 17, 2001, EPA issued an NOV to Transmontaigne asserting fifteen (15) violations of the detergent regulations at the Chesapeake Terminal in the 1995 - 1998 time frame.

5. At all relevant times a subsidiary of the Respondent was the actual detergent blender at the Chesapeake Terminal, within the meaning of 40 C.F.R. § 80.140. The Respondent assumes responsibility for the violations of its subsidiary which are addressed in this Agreement.

6. EPA is amending the proposed penalty in the NOV to thirty-three thousand one hundred and twenty-five dollars (\$33,125).

7. After considering the gravity of Respondent's violations at the 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 in the NOV to twenty-three thousand one hundred and eighty-eight dollars (\$23,188).

8. As a means of resolving the allegations in EPA's January 17, 2001 NOV, Respondent agrees to pay to EPA a penalty of twenty-three thousand one hundred and eighty-eight dollars (\$23,188) 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 - 6012", 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 - 6012

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

9. Time is of the essence to this Agreement. Upon failure to

timely perform by the payment due date listed in paragraph 8 of this Agreement, the entire amended proposed civil penalty of thirty-three thousand one hundred and twenty-five dollars (\$33,125) 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.

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.

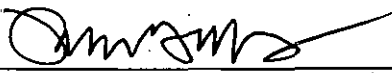
14. The validity, enforceability and construction of all matters pertaining to this Agreement shall be determined in

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:

Louis Dreyfus Corporation

by: 
(Printed Name:) PETER GRIFFIN
(Printed Title:) PRESIDENT

Date: 9-13-01

**United States
Environmental Protection Agency**

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

Date: 9/25/01