



- a. Respondent is a person as defined by section 302(e) of the CAA, 42 U.S.C. § 7602(e).
- b. Respondent is a "distributor" as defined in 40 C.F.R. § 80.2(l).
- c. Respondent is a "reseller" as defined in 40 C.F.R. § 80.2(n).
- d. Respondent is a "ethanol blender" as defined in 40 C.F.R. § 80.2(v)
- e. The Notice of Violation alleges that on or about July 17, 1997, in violation of 40 C.F.R. § 80.27, at E-Z Serve #2097, gasoline was sold, offered for sale, dispensed, supplied, offered for supply, transported or introduced into commerce whose Reid vapor pressure exceeded 7.80 psi.
- f. As a distributor, reseller, and/or ethanol blender, it is alleged that Respondent is liable for the violation of 40 C.F.R. § 80.27 set forth in subparagraph e above, pursuant to 40 C.F.R. § 80.28.
- g. Jurisdiction to settle this matter exists pursuant to section 211 of the CAA, 42 U.S.C. § 7545 and other provisions of law.

6. After considering the gravity of the violation, the economic benefit or savings resulting from the violation, the size of Respondent's business, the Respondent's history of compliance, actions taken by Respondent to remedy the violation, the effect of the penalty on Respondent's ability to continue in business, the terms of this Settlement Agreement and other facts presented by Respondent, EPA has agreed to conditionally remit and mitigate the civil penalty to Four Thousand Two Hundred Dollars (\$4,200), pending successful completion of the terms of this Settlement Agreement. Respondent agrees to pay Four Thousand Two Hundred Dollars (\$4,200) as follows: Respondent shall pay the penalty amount on or before the date which is sixty days after the effective date of this Settlement Agreement (the effective date is the date EPA signs the Settlement Agreement). In accordance with the Debt Collection Act of 1982, if the civil penalty amount is not paid within 30 days following the due date, interest will accrue from the due date at a rate to be furnished each quarter by the EPA Fiscal Policies and Procedures Branch, through the date of actual payment. A late payment handling charge of \$20.00 will also be imposed if the amount is not paid by the due date, with an additional charge of \$10.00 for each subsequent 30 day period. A 6% per annum penalty will be applied on any principal amount not

paid within 90 days of the due date. The Respondent agrees that the civil penalty amount will be paid by cashier's check or certified check payable to the "United States of America" submitted to the EPA Washington Accounting Operations, P.O. Box 360277M, Pittsburgh, Pennsylvania 15251, Attn: AED/MSEB No. 4740 with a copy to Marcia S. Ginley, Attorney for EPA. Each such check shall be identified with the case number 4740 and Respondent's name.

7. Respondent expressly agrees that the amounts paid under the terms of this Settlement Agreement are not deductible with respect to any federal, state, local or other tax.

8. Time is of the essence to this Settlement Agreement. Upon failure to timely pay or perform pursuant to Paragraph 6 of this Settlement Agreement, or upon default of or failure to comply with any of the terms of this Settlement Agreement by the Respondent, a civil penalty of Seven Thousand Dollars (\$7,000), shall be immediately due and payable, and the interest charges and other penalties specified in Paragraph 6 shall be applied to this amount effective from the due date and will continue until the debt is paid in full. The parties agree that upon such default or failure to comply, EPA may refer this matter to the United States Attorney General for collection; commence an action to enforce this Settlement Agreement or to recover the civil penalty pursuant to section 211 of the CAA, 42 U.S.C. § 7545; 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 claims of violation of section 211 of the CAA, 42 U.S.C. § 7545 and the regulations at 40 C.F.R. Part 80, 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.

9. The provisions of this Settlement Agreement shall apply to and be binding upon Respondent, its agents, employees, servants, successors, and assigns.

10. Respondent hereby represents that the individual executing this Settlement Agreement is authorized to do so on behalf of Respondent and that such execution is intended and is sufficient to bind Respondent, its agents, employees, servants, assigns, and successors.

11. The terms of this Settlement Agreement are contractual and not a mere recital. If any provision or provisions of this Settlement Agreement are held to be invalid, illegal or unenforceable, the remaining provisions shall not in any way be affected or impaired thereby.

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

13. Upon completion of the terms of this Settlement Agreement, this matter shall be deemed terminated and resolved. Nothing herein shall limit the right of the EPA to proceed against Respondent in the event of default or noncompliance with this Settlement Agreement; for violations of section 211 of the CAA, 42 U.S.C. § 7545, which are not the subject matter of this Settlement Agreement; for other violations of law; or with respect to other matters not within the scope of this Settlement Agreement.

The following agree to the terms of this Settlement Agreement:

Respondent:

Shell Oil Company, a Delaware Corporation

by: Raymond M. Polachuk

Date: 6/10/99

United States Environmental Protection Agency

by: Richard Biondi/E

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

Date: 8/24/99