BEFORE THE
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

In the Matter of: SHORESIDE PETROLEUM, INC. Seward, Alaska Respondent.	DOCKET NO. CWA-10-2025-0135 **CONSENT AGREEMENT** Proceedings Under Section 311(b)(6) of the Clean Water Act, 33 U.S.C. § 1321(b)(6)

I. STATUTORY AUTHORITY

1.1. This Consent Agreement is issued under the authority vested in the Administrator of the U.S. Environmental Protection Agency (EPA) by Section 311(b)(6) of the Clean Water Act (CWA), 33 U.S.C. § 1321(b)(6).

1.2. Pursuant to CWA Section 311(b)(6)(A), the EPA is authorized to assess a civil penalty against any owner, operator, or person in charge of an onshore facility from which oil or a hazardous substance is discharged in violation of CWA Section 311(b)(3), 33 U.S.C. § 1321(b)(3), and/or who fails or refuses to comply with any regulation issued under CWA Section 311(j), 33 U.S.C. § 1321(j).

1.3. CWA Section 311(b)(6)(B), 33 U.S.C. § 1321(b)(6)(B), authorizes the administrative assessment of Class II civil penalties in an amount not to exceed $10,000 per day for each day during which the violation continues, up to a maximum penalty of $125,000. Pursuant to the 2015 amendments to the Federal Civil Penalty Inflation Adjustment Act, 28 U.S.C. § 2461, and 40 C.F.R. Part 19, the administrative assessment of Class II civil penalties may not exceed $23,647 per day for each day during which the violation continues, up to a maximum penalty of $295,564. *See also* 90 Fed. Reg. 1375 (January 8, 2025) (2025 Civil Monetary Penalty Inflation Adjustment Rule).

1.4. Pursuant to CWA Section 311(b)(6)(A) and (b)(6)(B), 33 U.S.C. § 1321(b)(6)(A) and (B), and in accordance with Section 22.18 of the "Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties," 40 C.F.R. Part 22, the EPA issues, and Shoreside Petroleum, Inc. ("Respondent") agrees to issuance of, the Final Order attached to this Consent Agreement.

II. PRELIMINARY STATEMENT

2.1. In accordance with 40 C.F.R. §§ 22.13(b) and 22.18(b), issuance of this Consent Agreement commences this proceeding, which will conclude when the Final Order becomes effective.

2.2. The Administrator has delegated the authority to sign consent agreements between the EPA and the party against whom a penalty is proposed to be assessed pursuant to CWA Section 311(b)(6), 33 U.S.C. § 1321(b)(6), to the Regional Administrator of EPA Region 10, who has redelegated this authority to the Director of the Enforcement and Compliance Assurance Division, EPA Region 10 ("Complainant").

2.3. Part III of this Consent Agreement contains a concise statement of the factual and legal basis for the alleged violations of the CWA together with the specific provisions of the CWA and the implementing regulations that Respondent is alleged to have violated.

III. ALLEGATIONS

Statutory and Regulatory Framework

3.1. The objective of the CWA is "to restore and maintain the chemical, physical, and biological integrity of the Nation's waters." 33 U.S.C. § 1251(a).

3.2. CWA Section 311(j), 33 U.S.C. § 1321(j), provides for the regulation of onshore facilities to prevent or contain discharges of oil. CWA Section 311(j)(l)(C), 33 U.S.C. § 1321(j)(l)(C), provides that the President shall issue regulations "establishing procedures, methods, and equipment and other requirements for equipment to prevent discharges of oil ... from onshore facilities ... and to contain such discharges . . .."

3.3. Initially by Executive Order 11548 (July 20, 1970), 35 Fed. Reg. 11677 (July 22, 1970), and most recently by Section 2(b)(l) of Executive Order 12777 (October 18, 1991), 56 Fed. Reg. 54757 (October 22, 1991), the President delegated to the EPA his Section 311(j)(1)(C) authority to issue the regulations referenced in the preceding Paragraph for non-transportation related onshore facilities.

3.4. Pursuant to these delegated statutory authorities and pursuant to its authorities under the CWA, 33 U.S.C. § 1251 *et seq.,* to implement Section 31l(j) the EPA promulgated the Oil Pollution Prevention regulations in 40 C.F.R. Part 112, which set forth procedures, methods and equipment and other requirements to prevent the discharge of oil from non-transportation-related onshore facilities into or upon the navigable waters of the United States or adjoining shorelines, including requirements for preparation and implementation of a Spill Prevention Control and Countermeasure (SPCC) Plan.

3.5. The requirements of 40 C.F.R. Part 112 apply to owners and operators of non-transportation-related onshore facilities engaged in drilling, producing, gathering, storing, processing, refining, transferring, distributing, using or consuming oil or oil products, which due to their location, could reasonably be expected to discharge oil in quantities that may be harmful into or upon the navigable waters of the United States or adjoining shorelines. 40 C.F.R. § 112.1.

3.6. The regulations define "onshore facility" to mean any facility of any kind located in, on, or under, any land within the United States other than submerged lands. 40 C.F.R. § 112.2.

3.7. In the case of an onshore facility, the regulations define "owner or operator" to include any person owning or operating such onshore facility. 40 C.F.R. § 112.2.

3.8. The regulations define "person" to include any individual, firm, corporation, association, or partnership. 40 C.F.R. § 112.2.

3.9. "Non-transportation-related," as applied to an on-shore facility, is defined to include oil storage facilities and industrial, commercial, agricultural or public facilities which use and store oil. 40 C.F.R § 112 App. A.

3.10. The regulations define "oil" to mean oil of any kind or in any form, including, but not limited to, vegetable oils, petroleum, fuel oil, sludge, synthetic oils, oil refuse, and oil mixed with wastes other than dredged spoil. 40 C.F.R. § 112.2.

3.11. CWA § 502(7) defines "navigable waters" as "the waters of the United States, including the territorial seas." 33 U.S.C. § 1362(7).

3.12. Owners or operators of onshore facilities that have an aboveground storage capacity of more than 1,320 gallons of oil, and due to their location could reasonably be expected to discharge oil in harmful quantities into or upon the navigable waters of the United States or adjoining shorelines, must prepare an SPCC Plan in writing, certified by a licensed Professional Engineer, and in accordance with the requirements of 40 C.F.R. § 112.7.

3.13. Owners or operators of non-transportation-related onshore facilities that, because of their location, could reasonably be expected to cause substantial harm to the environment by discharging oil into or on the navigable waters or adjoining shorelines shall prepare and submit a Facility Response Plan (FRP). 40 C.F.R. § 112.20(a).

3.14. A facility could, because of its location, reasonably be expected to cause substantial harm to the environment by discharging oil into or on the navigable waters or adjoining shorelines if it transfers oil over water to/from vessels and has a total oil storage capacity greater than or equal to 42,000 gallons; or if it has a total oil storage capacity greater than or equal to 1 million gallons and any one of the following is true: the facility does not have sufficient secondary containment for each aboveground storage area; the facility is located at a distance such that a discharge from the facility could cause injury to fish, wildlife, and sensitive environments; the facility is located at a distance such that a discharge from the facility would shut down a public drinking water intake; the facility has had, within the past five years, a reportable discharge greater than or equal to 10,000 gallons. 40 C.F.R. § 112.20(f)(1).

General Allegations

3.15. Respondent is a corporation organized under the laws of the State of Alaska and is a "person" under CWA Sections 311(a)(7) and 502(5), 33 U.S.C. §§ 1321(a)(7), 1362(5) and 40 C.F.R. § 112.2.

3.16. At all times relevant to this Consent Agreement, Respondent was the "owner or operator," within the meaning of Section 311(a)(6) of the CWA, 33 U.S.C. § 1321(a)(6), and 40 C.F.R. § 112.2 of the main bulk plant and terminal located at 700 Port Avenue and the associated tank farm located in the Seward Marine Industrial Center (SMIC) in Seward, Alaska (collectively, "the Facility").

3.17. The Facility's main bulk plant and terminal, including the south tank farm, is located 1.5 miles north of downtown Seward on the northwest shore of Resurrection Bay. The SMIC tank farm is located on the east side of Resurrection Bay, approximately 7.5 miles from the main bulk plant.

3.18. The Facility's main bulk plant and terminal consists of two tank farms, three pumphouses, two marine terminals, two marinas, two tank truck loading racks (TTLRs), a vapor combustion unit, and a railroad car unloading station. There are also two warehouses with office space. Diesel and gasoline are stored in aboveground storage tanks. The bulk products are delivered by barge, railroad tank cars, and tank trucks. The Facility also operates retail fuel services on docks in the harbor for marine boats.

3.19. SMIC consists of bulk fuel storage, which is connected to three fueling stations on a sheet pile dock, called the North Dock. The bulk storage facility consists of a diesel aboveground storage tank, a pump house, and a TTLR.

3.20. The Facility is an "onshore facility" within the meaning of CWA Section

311(a)(10), 33 U.S.C. § 1321(a)(10), and 40 C.F.R. § 112.2.

3.21. The Facility is "non-transportation-related" within the meaning of 40 C.F.R. § 112.2.

3.22. On July 10, 2019, an authorized EPA representative inspected the Facility to determine compliance with Section 311(j) of the CWA, and in particular with the requirements of 40 C.F.R. Part 112 (hereinafter referred to as "the Inspection").

3.23. At the time of the Inspection, Respondent was engaged in drilling, producing, gathering, storing, processing, refining, transferring, distributing, using or consuming oil or oil products at the Facility, as described in 40 C.F.R. § 112.1(b).

3.24. At the time of the Inspection, the Facility had an aggregate above-ground storage (AST) capacity greater than 1,320 gallons of oil in containers, each with a shell capacity of at least 55 gallons and a total oil storage capacity greater than or equal to 1 million gallons.

3.25. At the time of the Inspection, the aggregate volume of ASTs with capacities of 55 gallons or greater was approximately 6,354,056 gallons.

3.26. The Facility is located at a distance such that a discharge from the Facility could cause injury to fish, wildlife, and sensitive environments.

3.27. The south tank farm at the Facility's main bulk plant is approximately 600 feet from Resurrection Bay. The SMIC tank farm is located approximately 950 feet from Resurrection Bay. Site drainage from both is towards Resurrection Bay.

3.28. Resurrection Bay is currently used for interstate commerce and is subject to the ebb and flow of the tide. As such, Resurrection Bay is a navigable water within the meaning of CWA § 502(7), 33 U.S.C. § 1362(7).

3.29. At the time of the Inspection, the Facility was a non-transportation-related, onshore facility that, because of its location, could reasonably have been expected to discharge oil into or upon the navigable waters of the United States or adjoining shorelines in a harmful quantity. The Facility is therefore subject to the SPCC regulations at 40 C.F.R. Part 112 and is required to prepare and implement an SPCC Plan.

3.30. At the time of Inspection, the Facility transferred oil over water to or from vessels and had a total oil storage capacity greater than or equal to 42,000 gallons. In addition, the Facility had a total oil storage capacity greater than or equal to 1 million gallons and is located at such a distance that a discharge from the Facility could cause injury to fish and wildlife and sensitive environments. The Facility is therefore further subject to the regulations at 40 C.F.R. § 112.20 and is required to prepare and submit an FRP.

3.31. At the time of the Inspection, Respondent operated its oil spill prevention program using its February 2018 SPCC Plan and its November 2016 FRP.

Violations

<u>SPCC Plan Violations</u>

<u>Count 1 – PE Certification</u>

3.32. 40 C.F.R. § 112.3 requires a regulated facility to prepare in writing and implement an SPCC Plan in accordance with 40 C.F.R. § 112.7. A licensed Professional Engineer (PE) must review and certify the SPCC Plan. 40 C.F.R. § 112.3.(d). Through this certification, the PE must attest, in relevant part, that s/he is familiar with the requirements of Part 112; that s/he or his/her agent have visited and examined the facility; that the SPCC plan is prepared in accordance with good engineering practice including consideration of applicable industry standards and the requirements of 40 C.F.R. Part 112; that the SPCC plan is adequate for the facility; and that procedures for required inspections and testing have been established.

3.33. Respondent included an incomplete PE certification in its 2018 SPCC Plan because the PE failed to attest that he or his agent visited the Facility, in violation of 40 C.F.R. § 112.3(d).

Count 2 – Procedures and Methods Not Yet Operational

3.34. 40 C.F.R. § 112.7 requires, in relevant part, that if an SPCC Plan calls for additional facilities or procedures, methods, or equipment not yet fully operational at the time the Plan is developed, the Plan must discuss these items in separate paragraphs, and must explain separately the details of installation and operational start-up.

3.35. The Facility's 2018 SPCC Plan, Section 4.2.2, references the need for installation of a barrier lip in the South Warehouse to create sized secondary containment to comply with 40 C.F.R. § 112.8(c)(11) for mobile/portable containers (e.g. 55-gallon drums). The Facility's 2018 SPCC Plan, Table B-1 (table notes), also indicates the underground oil storage tank is scheduled to be replaced with a double-walled tank. The 2018 SPCC Plan does not, however, discuss the details of the installations of the lip barrier or the double-walled tank, in violation of 40 C.F.R. § 112.7.

Count 3 – SPCC Plan Description of Discharge or Drainage Controls

3.36. 40 C.F.R. § 112.7(a)(3)(iii) requires that a facility's SPCC Plan address discharge or drainage controls such as secondary containment around containers and other structures, equipment, and procedures for the control of a discharge.

3.37. The 2018 SPCC Plan states that the Facility's south tank farm and SMIC secondary containment areas drain to an oil water separator (OWS), when in fact retained precipitation is pumped out to ground. The failure to accurately describe discharge and drainage controls is a violation of 40 C.F.R. § 112.7(a)(3)(iii).

3.38. The 2018 SPCC Plan states that tank trucks should be parked and/or stored with fuel transport tanks empty. The 2018 SPCC Plan further states that, in situations when fuel trucks containing product are parked overnight, they are parked away from navigable waters. Respondent failed to discuss this parking practice in sufficient detail to assess secondary containment controls regarding the location of the parked, loaded fuel trucks, in violation of 40

C.F.R. § 112.7(a)(3)(iii).

3.39. In addition, Respondent incorrectly indicated in its 2018 SPCC Plan that the new TTLR's 250-gallon OWS can retain a 3,800-gallon spill; that the oil level is checked monthly; and that oil is pumped out when the OWS oil level reaches 1,000 gallons. The failure to accurately describe discharge and drainage controls is a violation of 40 C.F.R. § 112.7(a)(3)(iii).

3.40. Finally, the Facility's 2018 SPCC Plan did not describe or discuss drainage controls for contingency tanks or the contingency tank storage area. The failure to accurately describe drainage controls is a violation of 40 C.F.R. § 112.7(a)(3)(iii).

Count 4 – Discharge Prediction Analysis

3.41. 40 C.F.R. § 112.7(b) requires that, where experience indicates a reasonable potential for equipment failure, a regulated facility must include in its SPCC Plan a prediction of the direction, rate of flow, and total quantity of oil which could be discharged from the facility as a result of each type of major equipment failure.

3.42. Respondent failed to address in its 2018 SPCC Plan all types of potential major equipment failures. Specifically, Respondent failed to address potential major equipment failure related to the SMIC AST and SMIC TTLR; buried and aboveground piping outside secondary containment; the railroad car unloading area; and the contingency storage tank area, in violation of 40 C.F.R. § 112.7(b).

Count 5 – General Secondary Containment

3.43. 40 C.F.R. § 112.7(c) requires that a regulated facility provide adequate containment and/or diversionary structures or equipment to prevent a discharge. Secondary containment may be either active or passive in design. *Id.*

3.44. Respondent's 2018 SPCC Plan does not address SPCC-regulated piping outside of secondary containment, including a typical failure scenario and what response would be implemented, in violation of 40 C.F.R. § 112.7(c).

3.45. Respondent indicated in its 2018 SPCC Plan that the undiked transfer area may be inadequate during the winter months because it relies on a sump that could fill with water, freeze, and therefore be ineffective for discharge control. This description indicates that inadequate secondary containment exists for this transfer area, in violation of 40 C.F.R. § 112.7(c).

3.46. Respondent's 2018 SPCC Plan does not include sufficient detail about the secondary containment for four 25,000-gallon contingency tanks and general secondary containment procedures for transfer areas associated with the contingency tanks, in violation of 40 C.F.R. § 112.7(c).

Count 6 – TTLR Secondary Containment

3.47. 40 C.F.R. § 112.7(h)(1) requires that where drainage from a loading/unloading rack does not flow into a catchment basin or treatment facility designed to handle discharges, a regulated facility must use a quick drainage system for tank car or tank truck loading/unloading racks. The facility must design any containment system to hold at least the maximum capacity of any single compartment of a tank car or tank truck loaded or unloaded at the facility.

3.48. Respondent indicated in its 2018 SPCC Plan that the SMIC TTLR uses an OWS for secondary containment, but the SPCC Plan failed to identify or describe the oil storage and retention capacity of this OWS. The 2018 SPCC Plan also does not identify the capacity of the largest single truck compartment unloaded or loaded at this TTLR. Similarly, the 2018 SPCC Plan does not describe the oil storage and retention capacity of the main bulk plant's TTLR. In addition, during the Inspection, the Facility did not have documentation describing the oil storage and retention capacity of these OWSs. Accordingly, Respondent failed to confirm that the OWSs at the SMIC and main bulk plant can hold at least the maximum capacity of any single compartment of a tank car or tank truck loaded or unloaded at the facility, in violation of 40 C.F.R. § 112.7(h)(1).

3.49. In addition, at the time of the Inspection, the Facility could not verify whether the floating ball valves that shut off exit flows from the OWSs at SMIC and the main bulk plant were in proper working condition. Moreover, the Facility had no ability to monitor or independently test whether the OWSs' floating ball valves are operable. As a precautionary measure, the Alaska Department of Environmental Conservation (ADEC) required the Facility to install manual gate valves on the OWS discharge pipes outside the OWSs but at the time of the Inspection, the gate valves were maintained in the open position even during truck loading and unloading. Accordingly, Respondent failed to provide containment systems that can hold at least the maximum capacity of any single compartment of a tank car or tank truck loaded or unloaded at the Facility, in violation of 40 C.F.R. § 112.7(h)(1).

Count 10 – Secondary Containment

3.50. 40 C.F.R. § 112.8(c)(2) requires that all bulk storage tank installations be constructed to provide a means of secondary containment for the entire capacity of the largest single container and sufficient freeboard to contain precipitation.

3.51. Respondent failed to adequately describe in its 2018 SPCC Plan the actual sized capacity of the secondary containment present at the time of the Inspection. In addition, at the time of the Inspection, the capacity of the secondary containment at the Facility's south tank farm and at SMIC were inadequate. The failure to provide a means of secondary containment for the entire capacity of the largest single container and sufficient freeboard to contain precipitation is a violation of 40 C.F.R. § 112.8(c)(2).

Count 11 – Leak Testing

3.52. 40 C.F.R. § 112.8(c)(4) requires that a regulated facility protect completely buried metallic storage tanks installed on or after January 10, 1974, from corrosion by coatings or cathodic protection compatible with local soil conditions and requires the facility to regularly leak test such completely buried metallic storage tanks. 40 C.F.R. § 112.7(a)(1) requires that SPCC Plans discuss conformance with this requirement.

3.53. Respondent's 2018 SPCC Plan did not discuss regular leak testing of a 500-gallon buried office heating oil tank and during the Inspection, Facility personnel stated that no leak testing for this heating oil tank was conducted, in violation of 40 C.F.R. § 112.8(c)(4).

Count 12 – Integrity Testing

3.54. 40 C.F.R. § 112.8(c)(6) requires that a regulated facility test or inspect each AST for integrity on a regular schedule. The facility must determine, in accordance with industry standards, the frequency and type of inspections, which take into account container size, configuration, and design.

3.55. In its 2018 SPCC Plan, Respondent referred to various industry standards for integrity testing, but failed to identify the applicable standard for each AST at the Facility. Respondent's 2018 SPCC Plan also did not include prospective integrity testing schedules developed from a specific industry standard for its ASTs. The failure to identify an integrity testing standard and schedule for the ASTs at the Facility is a violation of 40 C.F.R. § 112.8(c)(6).

Count 13 - Piping

3.56. 40 C.F.R. § 112.8(d)(1) requires that a regulated facility provide buried piping that is installed or replaced on or after August 16, 2002, with a protective wrapping and coating. The facility must also cathodically protect such buried piping installations or otherwise satisfy the corrosion protection standards for piping in Part 280 or a State approved program. *Id*. If a section of buried line is exposed for any reason, the facility must carefully inspect it for deterioration and, if it finds corrosion damage, undertake additional examination and corrective action as indicated by the magnitude of the damage. *Id.* Further, 40 C.F.R. § 112.8(d)(4) requires a facility to regularly inspect all aboveground valves, piping, and appurtenances. The facility must also conduct integrity and leak testing of buried piping at the time of installation, modification, construction, relocation, or replacement. *Id.* 40 C.F.R. § 112.8(d)(5) requires a facility to warn all entering vehicles to ensure that no vehicle will endanger aboveground piping or other oil transfer operations. 40 C.F.R. § 112.7(a)(1) requires that SPCC Plans discuss conformance with this requirement.

3.57. Respondent's 2018 SPCC Plan does not expressly address or incorporate the requirements of 40 C.F.R. § 112.8(d)(1) and § 112.8(d)(4)-(d)(5) or describe how they are implemented with Facility-specific discussions. At the time of the Inspection, the Facility also did not have warning signs in areas of public access. The failure to address these requirements and describe how they are implemented at the Facility is a violation of 40 C.F.R. §§ 112.7(a)(1), and 112.8(d)(1), (d)(4)-(d)(5).

FRP Violation

Count 14 – Training Program

3.58. 40 C.F.R. § 112.21(a), (b) requires that a regulated facility develop and implement a facility response training program and a drill/exercise program that satisfies the requirements of this section. The facility must describe these programs in its FRP. 40 C.F.R. § 112.20(h)(8)(ii). 40 C.F.R. § 112.20(h)(8)(iv) requires that the FRP include logs of discharge prevention meetings, training sessions, and drills/exercises.

3.59. Respondent's 2016 FRP stated that Facility personnel serving in incident command system (ICS) positions would receive ICS 100/200 level training at a minimum, and that the plant manager would also receive ICS 700/800 level training. At the time of the Inspection, the Facility could not produce documentation demonstrating that this ICS training had been completed for all designated personnel. The failure to implement a facility response training program and to keep logs of training is a violation of 40 C.F.R. §§ 112.21(a), (b), and 112.20(h)(8)(iv).

3.60. Respondent's failure to comply with the requirements of 40 C.F.R Part 112 subjects it to civil penalties pursuant to Section 311(b)(6)(B)(ii) of the CWA, 33 U.S.C.

§ 321(b)(6)(B)(ii).

IV. TERMS OF SETTLEMENT

4.1. Respondent admits the jurisdictional allegations of this Consent Agreement.

4.2. Respondent neither admits nor denies the specific factual allegations contained in this Consent Agreement.

4.3. As required by CWA Section 311(b)(8), 33 U.S.C. § 1321(b)(8), the EPA has taken into account the seriousness of the alleged violations; Respondent's economic benefit of noncompliance; the degree of culpability involved; any other penalty for the same incident; any history of prior violations; the nature, extent, and degree of success of any efforts of the violator to minimize or mitigate the effects of the discharge; the economic impact of the penalty on the violator; and any other matters as justice may require. After considering all of these factors, the EPA has determined that an appropriate penalty to settle this action is $128,000 ("Assessed Penalty").

4.4. Respondent consents to the assessment of the Assessed Penalty set forth in Paragraph 4.3 and agrees to pay the total Assessed Penalty within 30 days after the date of the Final Order ratifying this Agreement is filed with the Regional Hearing Clerk ("Filing Date").

4.5. Respondent shall pay the Assessed Penalty and any interest, fees, and other charges due using any method, or combination of appropriate methods, as provided on the EPA website: https://www.epa.gov/financial/makepayment. For additional instructions see: https://www.epa.gov/financial/additional-instructions-making-payments-epa.

4.6. When making a payment, Respondent shall:

4.6.1. Identify every payment with Respondent's name and the docket number of this Agreement, CWA-10-2025-0135,

4.6.2. Concurrently with any payment or within 24 hours of any payment, Respondent shall serve proof of payment electronically to the following person(s):

Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 10
1200 Sixth Avenue, Suite 155
Seattle, Washington 98101
R10_RHC@epa.gov

Richard Cool
U.S. Environmental Protection Agency, Region 10
1200 Sixth Avenue, Suite 155
Seattle, Washington 98101
Cool.Richard@epa.gov

and

U.S. Environmental Protection Agency
Cincinnati Finance Center
Via electronic mail to:
CINWD_AcctsReceivable@epa.gov

"Proof of payment" means, as applicable, a copy of the check, confirmation of credit card or debit card payment, or confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate that payment has been made according to EPA requirements, in the amount due, and identified with the appropriate docket number and Respondent's name.

4.7. Interest, Charges, and Penalties on Late Payments. Pursuant to 33 U.S.C. § 1321(b)(6)(H), 31 U.S.C. § 3717, 31 C.F.R. § 901.9, and 40 C.F.R. § 13.11, if Respondent fails to timely pay any portion of the Assessed Penalty per this Agreement, the entire unpaid balance of the Assessed Penalty and all accrued interest shall become immediately due and owing, and the EPA is authorized to recover the following amounts.

4.7.1. Interest. Interest begins to accrue from the Filing Date. If the Assessed Penalty is paid in full within thirty (30) days, interest accrued is waived. If the Assessed Penalty is not paid in full within thirty (30) days, interest will continue to accrue until the unpaid portion of the Assessed Penalty as well as any interest, penalties, and other charges are paid in full. Interest will be assessed at prevailing rates, per 33 U.S.C. § 1321(b)(6)(H). The rate of interest is the IRS large corporate underpayment rate.

4.7.2. Handling Charges. The United States' enforcement expenses including, but not limited to, attorneys' fees and costs of collection proceedings.

4.7.3. Late Payment Penalty. A twenty percent (20%) quarterly non-payment penalty.

4.8. Late Penalty Actions. In addition to the amounts described in the prior Paragraph, if Respondent fails to timely pay any portion of the Assessed Penalty, interest, or other charges and penalties per this Consent Agreement, the EPA may take additional actions. Such actions the EPA may take include, but are not limited to, the following.

4.8.1. Refer the debt to a credit reporting agency or a collection agency, per 40 C.F.R. §§ 13.13 and 13.14.

4.8.2. Collect the debt by administrative offset (i.e., the withholding of money payable by the United States government to, or held by the United States government for, a person to satisfy the debt the person owes the United States government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, per 40 C.F.R. Part 13, Subparts C and H.

4.8.3. Suspend or revoke Respondent's licenses or other privileges, or suspend or disqualify Respondent from doing business with the EPA or engaging in programs the EPA sponsors or funds, per 40 C.F.R. § 13.17.

4.8.4. Request that the Attorney General bring a civil action in the appropriate district court to recover the full remaining balance of the Assessed Penalty, in addition to interest and the amounts described above, pursuant to 33 U.S.C. § 1321(b)(6)(H). In any such action, the validity, amount, and appropriateness of the Assessed Penalty shall not be subject to review.

4.9. Allocation of Payments. Pursuant to 31 C.F.R. § 901.9(f) and 40 C.F.R. § 13.11(d), a partial payment of debt will be applied first to outstanding handling charges, second to late penalty charges, third to accrued interest, and last to the principal that is the outstanding Assessed Penalty amount.

4.10. Tax Treatment of Penalties. Penalties, interest, and other charges paid pursuant to this Agreement shall not be deductible for purposes of federal taxes.

4.11. Pursuant to 26 U.S.C. § 6050X and 26 C.F.R. § 1.6050X-1, the EPA is required to annually send to the Internal Revenue Service ("IRS") a completed IRS Form 1098-F ("Fines, Penalties, and Other Amounts") with respect to any court order or settlement agreement (including administrative settlements) that require a payor to pay an aggregate amount that the EPA reasonably believes will be equal to, or in excess of, $50,000 for the payor's violation of any law or the investigation or inquiry into the payor's potential violation of any law, including amounts paid for "restitution or remediation of property" or to come "into compliance with the law." The EPA is further required to furnish a written statement, which provides the same information provided to the IRS, to each payor (i.e., a copy of IRS Form 1098-F). Respondent's failure to comply with providing IRS Form W-9 or Tax Identification Number ("TIN"), as described below, may subject Respondent to a penalty, per 26 U.S.C. § 6723, 26 U.S.C. § 6724(d)(3), and 26 C.F.R. § 301.6723-1. To provide the EPA with sufficient information to enable it to fulfill these obligations, Respondent shall complete the following actions as applicable.

4.11.1. Respondent shall complete an IRS Form W-9 ("Request for Taxpayer Identification Number and Certification"), which is available at https://www.irs.gov/pub/irs-pdf/fw9.pdf.

4.11.2. Respondent shall therein certify that its completed IRS Form W-9 includes Respondent's correct TIN or that Respondent has applied and is waiting for issuance of a TIN.

4.11.3. Respondent shall email its completed Form W-9 to the EPA's Cincinnati Finance Division at henderson.jessica@epa.gov within 30 days after the Effective Date of this Order or within 7 days should the Order become effective between December 15 and December 31 of the calendar year. The EPA recommends encrypting IRS Form W-9 email correspondence.

4.11.4. In the event that Respondent has certified in its completed IRS Form W-9 that it does not yet have a TIN but has applied for a TIN, Respondent shall provide the EPA's Cincinnati Finance Division with Respondent's TIN, via email, within five (5) days of Respondent's receipt of a TIN issued by the IRS.

4.12. The undersigned representative of Respondent certifies that he or she is authorized to enter into the terms and conditions of this Consent Agreement and to bind Respondent to this document.

4.13. The undersigned representative of Respondent also certifies that, as of the date of Respondent's signature of this Consent Agreement, Respondent has corrected the violation(s) alleged in Part III above.

4.14. Except as described in Subparagraph 4.7.2, above, each party shall bear its own fees and costs in bringing or defending this action.

4.15. For the purposes of this proceeding, Respondent expressly waives any affirmative defenses and the right to contest the allegations contained in the Consent Agreement and to appeal the Final Order. By signing this Consent Agreement, Respondent waives any rights or defenses that Respondent has or may have for this matter to be resolved in federal court, including but not limited to any right to a jury trial, and waives any right to challenge the lawfulness of the final order accompanying the Consent Agreement.

4.16. The provisions of this Consent Agreement and the Final Order shall bind Respondent and its agents, servants, employees, successors, and assigns.

4.17. The above provisions are STIPULATED AND AGREED upon by Respondent and EPA Region 10.

DATED:

____

FOR RESPONDENT:

Matthew Lindsey, Executive Vice President
Shoreside Petroleum, Inc.

FOR COMPLAINANT:

EDWARD KOWALSKI

Digitally signed by EDWARD KOWALSKI
Date: 2025.10.16 15:20:47 -07'00'

Edward J. Kowalski
Director
Enforcement and Compliance Assurance Division
EPA Region 10

BEFORE THE
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

In the Matter of: SHORESIDE PETROLEUM, INC. Seward, Alaska Respondent.	DOCKET NO. CWA-10-2025-0135 **FINAL ORDER** Proceedings Under Section 311(b)(6) of the Clean Water Act, 33 U.S.C. § 1321(b)(6)

1. The Administrator has delegated the authority to issue this Final Order to the Regional Administrator of the U.S. Environmental Protection Agency (EPA) Region 10, who has in turn delegated this authority to the Regional Judicial Officer in EPA Region 10.

2. The terms of the foregoing Consent Agreement are ratified and incorporated by reference into this Final Order. Respondent is ordered to comply with the terms of settlement.

3. The Consent Agreement and this Final Order constitute a settlement by the EPA of all claims for civil penalties pursuant to the Clean Water Act (CWA) for the violations alleged in Part III of the Consent Agreement. In accordance with 40 C.F.R. § 22.31(a), nothing in this Final Order shall affect the right of the EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law. This Final Order does not waive, extinguish, or otherwise affect Respondent's obligations to comply with all applicable provisions of the CWA and regulations promulgated or permits issued thereunder.

4. This Final Order shall become effective upon filing.

IT IS SO ORDERED.

RICHARD MEDNICK
Regional Judicial Officer
EPA Region 10