

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 9**

75 HAWTHORNE STREET
San Francisco, California 94105

IN THE MATTER OF:)	DOCKET NO. CWA-09-2023-0023
)	
SWIRE SHIPPING PTE. LTD.)	
)	COMPLAINT, CONSENT AGREEMENT
)	AND FINAL ORDER
Respondent.)	
)	<i>Class II Administrative Penalty Proceeding under</i>
New Guinea Chief, NPDES Permit)	<i>Section 309(g) of the Clean Water Act, 33 U.S.C.</i>
Tracking No. VPBC5605N)	<i>§1319(g), and 40 C.F.R. §§ 22.13(b) and 22.18</i>
_____)	

CONSENT AGREEMENT

I. AUTHORITY AND PARTIES

1. This is a Class II civil administrative penalty proceeding under Section 309(g)(1)(A) and 2(B) of the Clean Water Act (CWA), 33 U.S.C. § 1319(g)(1)(A) and 2(B), and 40 C.F.R. Part 22 (Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits).
2. Pursuant to Section 309(g) of the CWA, 33 U.S.C. § 1319(g), the Administrator of the United States Environmental Protection Agency (EPA) is authorized to assess administrative penalties against persons who violate inter alia, Section 301(a) of the CWA, 33 U.S.C. § 1311(a), and/or who has violated any permit condition or limitation implementing any of such sections in a permit issued under Section 402 of the CWA, 33 U.S.C. § 1342. The Administrator has delegated this authority to the Regional Administrator of the EPA Region 9, who in turn has delegated this authority to the Director of the Enforcement and Compliance Assurance Division, hereinafter, "Complainant."
3. Respondent is Swire Shipping Pte. Ltd.
4. This Consent Agreement and Final Order (CA/FO), which contains the elements of a complaint required by 40 C.F.R. § 22.14(a), simultaneously commences and concludes this penalty proceeding, as authorized by 40 C.F.R. §§ 22.13(b) and 22.18(b)(2) and (3).

NOW THEREFORE, before the taking of any testimony, without adjudication of any issue of fact or law, and upon consent by EPA and Respondent, it is hereby STIPULATED, AGREED, AND ORDERED:

II. STATUTORY AND REGULATORY FRAMEWORK

5. Section 301(a) of the CWA, 33 U.S.C. § 1311(a), makes it unlawful for a person to discharge pollutants from a point source into waters of the United States, including the territorial seas, except as authorized, inter alia, by a National Pollutant Discharge Elimination System (NPDES) permit issued pursuant to CWA Section 402, 33 U.S.C. § 1342.

6. Section 402 of the CWA, 33 U.S.C. § 1342, establishes the NPDES program and authorizes the EPA and authorized states to issue permits governing the discharge of pollutants from point sources into waters of the United States. Any such discharge is subject to the specific terms and conditions prescribed in the applicable permit.

7. On April 12, 2013, EPA issued the *NPDES General Permit for Discharges Incidental to the Normal Operation of a Vessel*, EPA-HQ-OW-2011-0411 (Vessel General Permit or VGP), with an effective date of December 19, 2013 and an expiration date of midnight December 19, 2018. The VGP authorizes discharges incidental to the normal operation of non-military and non-recreational vessels greater than 79 feet in length into waters subject to the requirements of Section 312(p) of the CWA, 33 U.S.C. § 1322(p), and the VGP. Waters subject to the VGP are referred to as “navigable waters” which means waters of the United States, including territorial seas, as those terms are defined at Sections 502(7) and 502(8) of the CWA, 33 U.S.C. § 1362(7) and 1362(8).

8. On December 4, 2018, Section 312(p) of the CWA was amended by the Vessel Incidental Discharge Act (VIDA) and now provides that all provisions of the 2013 Vessel General Permit shall remain in force and effect, and shall not be modified until the U.S. Coast Guard promulgates regulations that are final, effective, and enforceable for implementation, compliance, and enforcement of new EPA standards of performance for marine pollution control devices for each type of discharge incidental to the normal operations of a vessel. 33 U.S.C. § 1322(p)(3). To date, these regulations have not been promulgated.

9. Section 312(p)(8)(A) of the CWA makes it “unlawful for any person to violate a provision of the Vessel General Permit.” 33 U.S.C. § 1322(p)(8)(A)(i).

10. Under Part 1.5.1.1. of the VGP, if the vessel is 79 feet or longer, greater than or equal to 300 gross tons, or if the vessel has the capacity to hold or discharge more than 8 cubic meters (2,113 gallons) of ballast water, then the vessel owners/operators must submit a signed and certified, complete and accurate Notice of Intent (NOI) to receive authorization under the VGP for their discharges.

11. Pursuant to Section 309(g)(2)(B) of the CWA, 33 U.S.C. § 1319(g)(2)(B), and 40 C.F.R. Part 19.4, the EPA may assess a Class II civil administrative penalty of up to \$25,847 per day of violation, not to exceed \$323,081 in total, against any person that has violated Section 301(a), or has violated any permit condition or limitation of a permit issued under Section 402 of the CWA that occurred after November 2, 2015, where penalties are assessed on or after January 6, 2023.

III. FINDINGS OF FACT, JURISDICTIONAL ALLEGATIONS, AND CONCLUSIONS OF LAW

12. Respondent is a privately-owned company headquartered in Singapore and therefore, a person within the meaning of Section 502(5) of the CWA, 33 U.S.C. § 1362(5). Respondent owns and operates the New Guinea Chief (Vessel), a container ship registered in Hong Kong and designated by International Maritime Organization (IMO) number 9689952. The Vessel has been in operation since 2014.

13. The Vessel is 175 meters in length, 18,723 gross tons, and has a ballast water capacity of 8,970 cubic meters.

14. The Vessel is a “point source” within the meaning of Section 502(14) of the CWA, 33 U.S.C. § 1362(14). The Vessel is subject to the requirements of Section 312(p) of the CWA, 33 U.S.C. § 1322(p), and the VGP.

15. On November 5, 2015, Respondent submitted a NOI to EPA to seek coverage under the VGP for the New Guinea Chief, which was assigned NPDES tracking number VPBC5605N.

16. Respondent installed an Optimarin ballast water treatment system (BWTS) on board the Vessel on November 1, 2014 and first used it to treat ballast water prior to a discharge to navigable waters on August 12, 2017 while in port at Pago Pago, AS.

17. The VGP requires, among other things:

a. Part 2.2.3.5.1.1.6 requires that records of sampling and testing results required under Part 2.2.3.5.1.1 must be retained onboard for a period of three years in the vessel’s recordkeeping documentation. Vessels must also submit the testing results to EPA as part of the vessel’s annual report on the VGP ballast water DMR.

b. Part 4.1.3 requires that comprehensive vessel inspections must be conducted by qualified personnel at least once every 12 months. Comprehensive visual inspections must cover all areas of the vessel affected by the requirements in this permit and special attention should be paid to those areas most likely to result in a discharge.

c. Part 4.4.1 requires that for each vessel, owners/operators are required to submit an annual report for each year that they have active permit coverage. For vessels that must file an NOI, this means for as long as they have an active NOI, regardless of whether the vessel was in subject waters during a calendar year. Annual reports must be completed

each calendar year and submitted electronically by February 28 of the following year. All analytical monitoring results must be submitted to EPA as part of the annual report. The vessel owner/operator shall respond to all questions accurately and completely, and provide the necessary information and/or data to support each response.

18. Between November 16, 2020 and February 28, 2022, representatives of the EPA reviewed available databases and additional information provided by the Respondent at EPA's request to evaluate compliance with the requirements of Sections 301, 312(p) and 402 of the CWA, 33 U.S.C. §§ 1311, 1322(p), 1342, and the VGP.

19. EPA found that:

- a. Respondent reported the Vessel's ballast water discharges to navigable waters surrounding Pago Pago, AS in 2017 but did not report those discharges in its 2017 annual report as required by Part 4.4.1.
- b. Respondent inaccurately reported that it had not completed an annual comprehensive inspection for the Vessel in its 2017 annual report when it had been completed.
- c. The Vessel's 2017 annual report did not include BWTS functionality monitoring data as required by Part 2.2.3.5.1.1.6.
- d. Respondent reported in the Vessel's 2018 and 2020 annual reports that the Vessel operated in navigable waters, but Respondent did not conduct annual comprehensive inspections as required by Part 4.1.3.

IV. ALLEGED VIOLATIONS

20. Between December 2017 and December 2020, Respondent's operation of the New Guinea Chief failed to comply with multiple conditions and limitations in the VGP and EPA is authorized to assess administrative civil penalties pursuant to Section 309(g) of the CWA.

V. ADMINISTRATIVE PENALTY

21. In consideration of the penalty factors of Section 309(g) of the CWA, 33 U.S.C. § 1319(g), Respondent shall pay to the United States a civil administrative penalty in the amount of **nineteen thousand nine hundred and six dollars (\$19,906)** within thirty (30) calendar days of the Effective Date, as defined in Section X below, of this CA/FO.

22. Respondent shall make penalty payment by one of the options listed below:

- a. Check payment: Payment by a cashier's or certified check shall be made payable to "treasurer, United States of America" and be mailed as follows:

i. *If by regular U.S. Postal Service Mail:*
U.S. Environmental Protection Agency
Fines and Penalties
PO Box 979078
St. Louis, MO 63197-9000

ii. *If by overnight mail:*
U.S. Environmental Protection Agency
Government Lockbox 979078
USEPA Fines and Penalties
1005 Convention Plaza
SL-MO-C2-GL
St. Louis, Mo 63101

b. Automated Clearinghouse Payment: Payment by Automated Clearinghouse (ACH) via Vendor Express shall be made through the U.S. Treasury as follows:

U.S. Treasury REX/Cashlink ACH Receiver
ABA: 0510367606
Account Number: 310006, Environmental Protection Agency
CTX Format Transaction Code 22 – checking

c. Fedwire: Payment by wire transfer to the EPA shall be made through the Federal Reserve Bank of New York as follows:

Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York, NY 10045
(Field Tag 4200 of the Fedwire message should read: D 68010727
Environmental Protection Agency)

d. Online Payment: This payment option can be accessed from the information below:

Go to www.pay.gov
Enter “SFO Form Number 1.1” in the search field
Open “EPA Miscellaneous Payments – Cincinnati Finance Center” form
and complete required fields

Payment instructions are available at <http://www2.epa.gov/financial/makepayment>. If clarification regarding a particular method of payment remittance is needed, contact the EPA Cincinnati Finance Center at (513) 487-2091.

23. To ensure proper credit, Respondent shall include the following transmittal information with the penalty payment: (i) Respondent's name (as appeared on the CA/FO), complete address, contact person, and phone number; (ii) the EPA case docket number; (iii) the EPA contact person; and (iv) the reason for payment.

24. Concurrent with payment, Respondent shall send a true and correct copy of the payment and accompanying transmittal information to the following addresses:

Regional Hearing Clerk
Office of Regional Counsel (ORC-1)
U.S. Environmental Protection Agency, Region 9
75 Hawthorne Street
San Francisco, CA 94105

Desean Garnett
Supervisory Attorney-Advisor
ORC 2-3
U.S. Environmental Protection Agency, Region 9
75 Hawthorne Street
San Francisco, CA 94105

25. Respondent shall not, and shall not allow any other person to, deduct any penalties and interest paid under this CA/FO from federal, state, or local taxes.

26. Pursuant to Section 309(g)(9) of the CWA, 33 U.S.C. § 1319(g)(9), if Respondent fails to pay the assessed penalty on time, the EPA may request the U.S. Department of Justice to bring a civil action to recover the overdue amount, plus interest at currently prevailing rates from the Effective Date of this CA/FO. In such an action, the validity, amount, or appropriateness of the assessed penalty shall not be subject to review. In addition to any assessed penalty and interest, Respondent shall pay attorney fees, costs for collection proceedings, and a quarterly nonpayment penalty, which shall equal 20% of the aggregate amount of Respondent's penalties and nonpayment penalties that are unpaid as of the beginning of such quarter, for each quarter during which such failure to pay persists. The EPA may also take other debt collection actions as authorized by law, including, but not limited to, the Debt Collection Act, 33 U.S.C. § 3711, and 33 C.F.R. Part 13.

VI. APPLICABILITY

27. This CA/FO shall apply to and be binding on Respondent, Respondent's officers, directors, partners, agents, employees, contractors, successors and assigns. Action or inaction of any persons, firms, contractors, employees, agents or corporations acting under, through, or for Respondent shall not excuse any failure of Respondent to fully perform its obligations under this CA/FO. Changes in ownership, real property interest, or transfer of personal assets shall not alter Respondent's obligations under this CA/FO.

VII. RESPONDENT'S ADMISSIONS AND WAIVERS

28. In accordance with 40 C.F.R. § 22.18(b)(2), for the purpose of this proceeding, Respondent:

- a. admits the jurisdictional allegations of the CA/FO;
- b. neither admits nor denies specific factual allegations contained in the CA/FO;
- c. consents to all conditions specified in this CA/FO and to the assessment of the civil administrative penalty set forth in Section V above;
- d. waives any right to contest the allegations set forth in this CA/FO; and
- e. waives its right to appeal this proposed Final Order.

VIII. RESERVATION OF RIGHTS

29. In accordance with 40 C.F.R. § 22.18(c), full payment of the penalty set forth in this CA/FO only resolves Respondent's CWA civil penalty liabilities for the violations specifically alleged herein and does not in any case affect the right of the EPA to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law.

30. This CA/FO is not a permit or modification of any existing permit issued pursuant to any federal, state, or local laws or regulations, and shall in no way relieve or affect Respondent's obligations under any applicable federal, state or local laws, regulations, or permits.

IX. ATTORNEYS FEES AND COSTS

31. Unless otherwise specified, each party shall bear its own attorney's fees and costs.

X. EFFECTIVE DATE AND TERMINATION

32. In accordance with C.F.R. §§ 22.18(b)(3) and 22.31(b), the Effective Date of this CA/FO is the date that the Final Order, having been signed by the Regional Judicial Officer, is filed with

the Regional Hearing Clerk. This CA/FO shall terminate when Respondent has complied with the requirements of this CA/FO in full.

XI. PUBLIC NOTICE

33. Pursuant to Section 309(g)(4) of the CWA, 33 U.S.C. § 1319(g)(4), and 40 C.F.R. § 22.45(b), this Consent Agreement is subject to public notice and comment prior to issuance of the proposed Final Order. Complainant reserves the right to withhold or withdraw consent of this Consent Agreement if public comments disclose relevant and material information that was not considered by Complainant in entering into this Consent Agreement. Respondent may withdraw from this Consent Agreement only upon receipt of written notice from EPA that it no longer supports entry of this Consent Agreement.

34. Where appropriate, the EPA has consulted with the affected state regarding this penalty action in accordance with Section 309(g)(1) of the CWA, 33 U.S.C. § 1319(g)(1).

FINAL ORDER

IT IS HEREBY ORDERED that this Consent Agreement and Final Order (U.S. EPA Docket No. CWA-09-2023-0023) be entered, and that Respondent shall pay a civil penalty in the amount of **nineteen thousand nine hundred and six dollars (\$19,906)** in accordance with the terms of this Consent Agreement and Final Order.

Date

Beatrice Wong
Regional Judicial Officer
U.S. EPA, Region IX