



# Oregon

Tina Kotek, Governor

Department of Environmental Quality  
Office of Compliance and Enforcement  
700 NE Multnomah Street, Suite 600  
Portland, OR 97232-4100  
(503) 229-5696  
FAX (503) 229-5100  
TTY 711

August 1, 2024

CERTIFIED MAIL: 9589 0710 5270 0688 6538 16

World Fuel Services, Inc.  
c/o CT Corporation System  
780 Commercial Street SE, Suite 100  
Salem, OR 97301

Re: Notice of Civil Penalty Assessment and Order  
Case No. AQ/CFP-HQ-2023-065

This letter is to inform you that the Oregon Department of Environmental Quality (DEQ) has issued you a civil penalty of \$13,200 for late submittal of your Clean Fuels Program annual compliance report. According to the program rules, the 2022 annual compliance report was due May 1, 2023 (deferred from April 30, 2023, which fell on a Sunday). 2023 was the second year in a row that your report was late.

The Clean Fuels Program requires importers of transportation fuels into Oregon to reduce the carbon intensity of such fuels by 37 percent by 2035. DEQ issued this penalty because, as a regulated party under the Clean Fuels Program, you are required to timely file annual compliance reports which are used to demonstrate compliance with the clean fuels standards. Late compliance reports delay DEQ's ability to determine whether or not you have complied with the applicable clean fuels standards, if a credit clearance market is needed, and impede the state's progress towards reductions of greenhouse gas emissions and a cleaner transportation system. Late compliance can also give the regulated party an advantage over other regulated parties who have reported, purchased credits if applicable during the normal pre-compliance credit market, and complied with the program on time.

DEQ appreciates your efforts to correct the violation by submitting the 2022 annual compliance report on May 3, 2023. DEQ considered this effort when determining the amount of civil penalty.

You can pay the penalty by sending a check or money order to the address below. Please include the case number on the check. If you wish to appeal this matter, DEQ must receive a request for a hearing within 20 calendar days from your receipt of this letter. The hearing request must be in writing. Send your request to DEQ Office of Compliance and Enforcement:

Via mail – 700 NE Multnomah Street, Suite 600, Portland, Oregon 97232

Via email – [DEQappeals@deq.oregon.gov](mailto:DEQappeals@deq.oregon.gov)

Via fax – 503-229-6762

Once DEQ receives your request, we will arrange to meet with you to discuss this matter. If DEQ does not receive a timely written hearing request, the penalty will become due.

The attached Notice further details DEQ's reasons for issuing the penalty and provides further instructions for appealing the penalty. Please review and refer to it when discussing this case with DEQ.

DEQ may allow you to resolve part of your penalty through the completion of a Supplemental Environmental Project (SEP). SEPs are environmental improvement projects that you sponsor instead of paying a penalty. Further information is available by calling the number below or at <http://www.oregon.gov/deq/Regulations/Pages/SEP.aspx>.

DEQ's rules are available at <http://www.oregon.gov/deq/Regulations/Pages/Statutes.aspx> or by calling the number below.

If you have any questions, please contact Jenny Root at 503-229-5874 or toll-free in Oregon at 800-452-4011, extension 5874.

Sincerely,



Becka Puskas, Interim Manager  
Office of Compliance and Enforcement  
Enclosures

cc: Chintan Trivedi, Clean Fuels, Office of GHG Programs, DEQ  
Bill Peters, Clean Fuels, Office of GHG Programs, DEQ  
Colin McConnaha, Office of GHG Programs, DEQ  
Accounting, DEQ  
Kanem Johnson, World Fuel Services, Inc., 9800 NW 41<sup>st</sup> St., Miami, FL 33178

BEFORE THE ENVIRONMENTAL QUALITY COMMISSION  
OF THE STATE OF OREGON

IN THE MATTER OF: )  
WORLD FUEL SERVICES, INC. )  
a Texas corporation, )  
Respondent. )  
NOTICE OF CIVIL PENALTY  
ASSESSMENT AND ORDER  
CASE NO. AQ/CFP-HQ-2023-065

I. AUTHORITY

The Department of Environmental Quality (DEQ) issues this Notice of Civil Penalty Assessment and Order (Notice) pursuant to Oregon Revised Statutes (ORS) 468.100, ORS 468.126 through 468.140, ORS 468A.265 through 468A.277, ORS Chapter 183 and Oregon Administrative Rules (OAR) Chapter 340, Divisions 011, 012, and 253.

II. FINDINGS OF FACT

1. Respondent operates a business importing transportation fuels into the state of Oregon.
2. On December 8, 2017, DEQ approved Respondent's registration to the Oregon Clean Fuels Program (CFP), OAR Chapter 340 Division 253, as an importer of blendstocks.
3. OAR 340-253-0100(8) requires Respondent to submit an annual compliance report to DEQ under OAR 340-253-0650.
4. According to OAR 340-253-0650(1)(a), Respondent's annual compliance report for year 2022 was due to DEQ, via submittal through the CFP Oregon Fuels Reporting System (Online System), on April 30, 2023. Because April 30, 2023, fell on a Sunday, DEQ deferred the deadline to May 1, 2023.
5. Respondent submitted its 2022 annual compliance report to DEQ using the CFP Online System on May 3, 2023.

III. CONCLUSION

Respondent violated OAR 340-253-0650(1)(a) by failing to timely submit its 2022 annual compliance report to DEQ as described in Section II, Paragraphs 4 and 5 above. This is a Class I violation, according to OAR 340-012-0054(1)(hh). DEQ hereby assesses a \$13,200 civil penalty for this violation.

1 IV. ORDER TO PAY CIVIL PENALTY

2 Based upon the foregoing FINDINGS OF FACTS AND CONCLUSIONS, Respondent is  
3 hereby ORDERED TO:

4 Pay a total civil penalty of \$13,200. The determination of the civil penalty is attached as  
5 Exhibit 1 and is incorporated as part of this Notice.

6 If you do not file a request for hearing as set forth in Section V below, your check or money  
7 order must be made payable to "**State Treasurer, State of Oregon**" and sent to the **DEQ, Business**  
8 **Office, 700 NE Multnomah Street, Suite 600, Portland, Oregon 97232.**

9 V. NOTICE OF RIGHT TO REQUEST A CONTESTED CASE HEARING

10 You have a right to a contested case hearing on this Notice, if you request one in writing. DEQ  
11 must receive your request for hearing **within 20 calendar days** from the date you receive this Notice. If  
12 you have any affirmative defenses or wish to dispute any allegations of fact in this Notice or attached  
13 exhibit, you must do so in your request for hearing, as factual matters not denied will be considered  
14 admitted, and failure to raise a defense will be a waiver of the defense. (See OAR 340-011-0530 for  
15 further information about requests for hearing.) You must send your request to: **DEQ, Office of**  
16 **Compliance and Enforcement, 700 NE Multnomah Street, Suite 600, Portland, Oregon 97232**, fax  
17 it to **503-229-6762** or email it to **DEQappeals@deq.oregon.gov**. An administrative law judge  
18 employed by the Office of Administrative Hearings will conduct the hearing, according to ORS  
19 Chapter 183, OAR Chapter 340, Division 011 and OAR 137-003-0501 to 0700. You have a right to be  
20 represented by an attorney at the hearing, however you are not required to be. If you are an individual,  
21 you may represent yourself. If you are a corporation, partnership, limited liability company,  
22 unincorporated association, trust or government body, you must be represented by an attorney or a duly  
23 authorized representative, as set forth in OAR 137-003-0555.

24 Active-duty Service members have a right to stay proceedings under the federal Service  
25 Members Civil Relief Act. For more information contact the Oregon State Bar at 1-800-  
26 452-8260, the Oregon Military Department at 503-584-3571, or the nearest United States Armed  
27 Forces Legal Assistance Office through <http://legalassistance.law.af.mil>. The Oregon Military  
Department does not have a toll-free telephone number.

1 If you fail to file a timely request for hearing, the Notice will become a final order by default  
2 without further action by DEQ, as per OAR 340-011-0535(1). If you do request a hearing but later  
3 withdraw your request, fail to attend the hearing or notify DEQ that you will not be attending the  
4 hearing, DEQ will issue a final order by default pursuant to OAR 340-011-0535(3). DEQ designates  
5 the relevant portions of its files, including information submitted by you, as the record for purposes of  
6 proving a prima facie case.

7  
8 8/1/2024

9 Date

Rebecca L Puskas

Becka Puskas, Interim Manager  
Office of Compliance and Enforcement

## EXHIBIT 1

### FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045

- VIOLATION: Failing to timely submit a complete and accurate Clean Fuels Program annual compliance report to DEQ, in violation of OAR 340-253-0650(1)(a).
- CLASSIFICATION: This is a Class I violation pursuant to OAR 340-012-0054(1)(hh).
- MAGNITUDE: The magnitude of the violation is major pursuant to OAR 340-012-0135(1)(l)(C) because Respondent failed to timely submit a complete and accurate annual compliance report under OAR chapter 340, division 253.
- CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:  $BP + [(0.1 \times BP) \times (P + H + O + M + C)] + EB$
- "BP" is the base penalty, which is \$12,000 for a Class I, major magnitude violation in the matrix listed in OAR 340-012-0140(2)(b)(A)(i) and applicable pursuant to OAR 340-012-0140(2)(a)(R) because Respondent is registered with the Oregon Clean Fuels Program as an importer of blendstocks.
- "P" is whether Respondent has any prior significant actions, as defined in OAR 340-012-0030(19), in the same media as the violation at issue that occurred at a facility owned or operated by the same Respondent and receives a value of 0 according to OAR 340-012-0145(2)(a)(A), because there are no prior significant actions.
- "H" is Respondent's history of correcting prior significant actions and receives a value of 0 according to OAR 340-012-0145(3)(c) because there is no prior history.
- "O" is whether the violation was repeated or ongoing and receives a value of 0 according to OAR 340-012-0145(4)(a) because there was only one occurrence of the violation. Respondent failed to timely submit its 2022 annual compliance report to DEQ.
- "M" is the mental state of the Respondent and receives a value of 4 according to OAR 340-012-0145(5)(c) because Respondent's conduct was negligent. Negligent means the respondent failed to take reasonable care to avoid a foreseeable risk of conduct constituting or resulting in a violation. As a regulated party under the Oregon Clean Fuels Program, Respondent should be aware of the annual reporting requirements and deadlines in the program rules, OAR chapter 340, division 253. In addition, Respondent was notified in Warning Letter with Opportunity to Correct No. 2022-WLOTC-7114, dated May 5, 2022, of its failure to timely submit the 2021 annual compliance report by the April 30<sup>th</sup> deadline. Respondent was also sent automatically generated emails from the CFP Online System in April 2023, reminding all regulated parties that the 2022 annual report was due May 1, 2023. Despite

these notifications, Respondent failed to submit its 2022 annual compliance report to DEQ by the May 1, 2023, deadline. Thus, Respondent failed to take reasonable care to avoid a foreseeable risk of conduct constituting or resulting in a violation.

"C" is Respondent's efforts to correct or mitigate the violation and receives a value of -3 according to OAR 340-012-0145(6)(c) because Respondent made reasonable efforts to correct the violation by submitting its 2022 annual compliance report to DEQ via the CFP Online System on May 3, 2023.

"EB" is the approximate dollar value of the benefit gained and the costs avoided or delayed as a result of the Respondent's noncompliance. It is designed to "level the playing field" by taking away any economic advantage the entity gained and to deter potential violators from deciding it is cheaper to violate and pay the penalty than to pay the costs of compliance. In this case, "EB" receives a value of \$0 because any economic benefit gained by Respondent from this late submittal of its 2022 annual compliance report is de minimis.

PENALTY CALCULATION:  $\text{Penalty} = \text{BP} + [(0.1 \times \text{BP}) \times (\text{P} + \text{H} + \text{O} + \text{M} + \text{C})] + \text{EB}$

$$\begin{aligned} &= \$12,000 + [(0.1 \times \$12,000) \times (0 + 0 + 0 + 4 + -3)] + \$0 \\ &= \$12,000 + (\$1,200 \times 1) + \$0 \\ &= \$12,000 + \$1,200 + \$0 \\ &= \$13,200 \end{aligned}$$