BEFORE THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

In the matter of:	)	
	)	
DSD SHIPPING, AS	)	EPA Case No. 16-0791-00
	)	

ADMINISTRATIVE AGREEMENT

I. INTRODUCTION

This Administrative Agreement ("Agreement") is made between the United States Environmental Protection Agency ("EPA"), acting as lead Federal agency, Det Stavangerske Dampskibsselskab, AS, and DSD Shipping, AS in order to resolve all matters relating to suspension and debarment arising from the conviction of DSD Shipping, AS ("DSD Shipping" or "Respondent") for conspiracy, 18 U.S.C. § 371, violation of the Act to Prevent Pollution from Ships, 33 U.S.C. § 1908(a), obstruction of justice, 18 U.S.C. § 1519, and witness tampering, 18 U.S.C. § 1512(b).

II. DEFINITIONS

1. **AGENT.** Any person, as defined by 2 C.F.R. § 180.985, who acts on behalf of or who is authorized to commit a Respondent in a covered transaction under the Nonprocurement Common Rule (2 C.F.R. Part 180) or any transaction covered under the Federal Acquisition Regulation (FAR) (48 C.F.R. Chapter 1).

2. **AFFILIATE.** As defined in 2 C.F.R. § 180.905, an affiliate to a Respondent is any entity that directly or indirectly, controls or is controlled, or has the power to control, by the Respondent. In addition, an affiliate to a Respondent is any entity that is controlled by the same third person as the Respondent. Indicia of control include, but are not limited to: (a) interlocking management or ownership; (b) identity of interests among family members; (c) shared facilities and equipment; (d) common use of employees; or (e) a business entity which has been organized following the exclusion of a person which has the same or similar management, ownership, or principal employees as the excluded person.

3. **ARM'S LENGTH TRANSACTION.** A bona fide transaction between a purchaser and a seller, each acting independently and having no relationship to each other. Both parties in the transaction are acting in their own self-interest and are not subject to any pressure or duress from the other party. Transactions between affiliates shall not be considered to be arm's length transactions for purposes of this Agreement, regardless of how the transactions are structured.

4. **CONTRACT PERSONNEL.** An employee who works for one person (subject to that person's salary and benefits structure) whose services are sold on a project or time basis to another person.

5. **CONTRACTOR.** Any person with whom the Respondent has a contract. Contract means a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the Respondent to an expenditure of funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to) awards and notices of awards; job orders or task letters issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications. Contracts do not include nonprocurement transactions as defined in 2 C.F.R. § 180.970.

6. **COVERED TRANSACTION.** A nonprocurement, procurement, or other transaction as defined in 2 C.F.R. Part 180, Subpart B, and 2 C.F.R. § 1532.220. See also Appendix to 2 C.F.R. Part 180 (illustrating primary tier and lower tier covered transactions) and 2 C.F.R. § 180.970 (defining nonprocurement transactions). Covered transactions include, but are not limited to, assistance agreements (binding agreements between a federal agency and the Respondent which provides financial assistance to the Respondent in the form of a grant, cooperative agreement or similar instrument).

7. **EMPLOYEE.** Any natural person hired directly by Respondent in an employer-employee relationship (and thus subject to the Respondent's salary and benefits structure) to provide labor or services to Respondent, including, but not limited to, any permanent, temporary, full-time, or part-time employees, agents and "principals" as defined at "II. 15." below.

8. **EPA AUTHORIZED REPRESENTATIVE(S).** The EPA official(s) who is the primary EPA contact(s) for the purpose of monitoring the Agreement. That person(s) is listed at paragraph "V. 31." herein. Unless specifically stated otherwise herein, all matters involving the Agreement shall be coordinated through this person(s), including but not limited to questions, submittals and other communications.

9. **EXCLUDED TRANSACTION.** A transaction in which a person is prohibited from being a participant or principal, whether the person has been suspended, debarred, or proposed for debarment under 48 C.F.R. Part 9, Subpart 9.4, the Nonprocurement Common Rule (2 C.F.R. Part 180) or voluntarily excluded. Excluded transactions include covered transactions under the Nonprocurement Common Rule (2 C.F.R. Part 180) and transactions covered under the FAR (48 C.F.R. Chapter 1). Excluded transactions include transactions with excluded persons.

10. **FEDERAL AGENCY**. As defined in 2 C.F.R. § 180.950, any United States executive department, military department, defense agency or any other agency of the

executive branch.

11. GOVERNMENTAL ENTITY. Includes all U.S. federal, state, and local government agencies or instrumentalities. State, as defined in 2 C.F.R. § 180.1005, shall include any of the states of the United States; the District of Columbia; the Commonwealth of Puerto Rico; any territory or possession of the United States; or any agency or instrumentality of a state.

12. INELIGIBLE TRANSACTION. A transaction in which a person is prohibited from being a participant or principal pursuant to the Clean Air Act and/or Clean Water Act, as applicable. If a person is convicted of any offense described in 2 C.F.R. § 1532.1105, the person is automatically disqualified from eligibility to receive any covered transaction under the Nonprocurement Common Rule (2 C.F.R. Part 180) and transactions covered under the Federal Acquisition Regulation (48 C.F.R. Part 9, Subpart 9.4), if the person will perform any part of the transaction or award at the facility giving rise to the person's conviction and the person owns, leases, or supervises the violating facility. See 2 C.F.R. Part 1532, Subpart J.

13. PERIOD OF TIME. The number of days as referenced in the Agreement shall be calculated by calendar days inclusive of weekends and holidays. Deadlines falling on a weekend or holiday shall automatically be extended to the next business day.

14. PERSON. As defined in 2 C.F.R. § 180.985, any individual, corporation, partnership, association, unit of government, or legal entity, however organized.

15. PRINCIPAL. As defined in 2 C.F.R. § 180.995; 2 C.F.R. § 1532.995(a)(b)(c)(e) and (g); and 48 C.F.R. § 2.101(b) this includes, but is not limited to, officers, directors, owners, partners, or other person having primary management or supervisory responsibilities within a business entity.

16. RESPONDENT. A person against whom the EPA has initiated or is considering initiating a debarment and/or suspension action, or is facing a potential statutory disqualification or is statutorily disqualified.

17. RESPONDENT'S AUTHORIZED REPRESENTATIVE(S). The Respondent's official(s) who is the Respondent's primary contact(s) for the purpose of the Respondent's compliance to the Agreement. That person(s) is listed at paragraph "V. 31." herein. All matters involving the Agreement shall be coordinated through this person(s), including but not limited to questions, requests and other communications.

III. PREAMBLE

1. DSD Shipping is a wholly-owned subsidiary of Det Stavangerske Dampskibsselskab, AS. Det Stavangerske Dampskibsselskab, AS has four lines of business, which includes two Scandinavian transportation companies (Norled and Tide),

one Northern European freight shipping company (Nor Lines), and one international shipping company (DSD Shipping, AS). Norled operates commuter ferries and express boats in Norway; Tide operates public transportation in both Norway and Denmark; and Nor Lines operates a freight liner service in the North Sea and the Baltic Sea.

2. Only DSD Shipping operates internationally and subcontracts to other entities that do business with the U.S. government.

3. DSD Shipping is a Norwegian corporation and operates a fleet of international shipping vessels, including the *M/T Stavanger Blossom*. The company was organized as an integrated shipping operation with its headquarters in Stavanger, Norway, and a branch office in Singapore. DSD Shipping, AS currently owns five vessels, two of which are leased for charter.

4. The *M/T Stavanger Blossom* is a 56,172 gross ton oceangoing oil tanker which is registered in Singapore. The *MT Stavanger Blossom* engages in the carriage of oil and petroleum products to ports in the United States and abroad.

5. In October 2014, DSD Shipping's vessel, the *M/T Stavanger Blossom* called on the Port of Lake Charles, Louisiana. The vessel was inspected by United States Coast Guard personnel under a scheduled Port State Control inspection in the Port of Lake Charles and then proceeded on its journey. On November 12, 2014, the *M/T Stavanger Blossom* called on the Port of Mobile.

5. On November 8, 2014, a member of the crew sent an email to the United States Coast Guard stating that the vessel was utilizing a pipe to bypass the oil pollution prevention equipment and that the crew of the vessel had been instructed to clean the Fuel Oil Sludge Tank and then to dump plastic garbage bags containing oily rags overboard.

6. While in the Port of Mobile, the United States Coast Guard inspected the vessel to determine the accuracy of the email they had received and alleged that the vessel was circumventing required pollution control equipment. The vessel was detained and later inspected by a Lloyd's Register surveyor, who found corrosion on a diaphragm inside the Oily Water Separator ("OWS").

7. DSD Shipping was subsequently charged with one count of conspiracy, three counts of violation of the Act to Prevent Pollution from Ships, two counts of obstruction of justice in violation of 18 U.S.C. § 1505, three counts of obstruction of justice in violation of 18 U.S.C. § 1519, and one count of witness tampering in violation of 18 U.S.C.§ 1512(b) in two separate indictments in the Southern District of Alabama and the Western District of Louisiana.

8. These charges stemmed from the conduct of the crew aboard the *M/T Stavanger Blossom*, who were alleged to have made false entries in the Oil and Garbage Record books, to have concealed those same false entries, to have concealed the existence of a sampling pipe that was used to discharge oily waste overboard, and to have instructed other

crew members to lie to the Coast Guard about the number of bags of waste generated when the Fuel Oil Sludge Tank was cleaned.

9. The two indictments were consolidated for trial in the Southern District of Alabama and, on November 6, 2015, DSD Shipping was convicted of one count of conspiracy to defraud the United States, three counts of violation of the Act to Prevent Pollution from Ships for knowing failure to maintain accurate Oil Record Book and Garbage Record Book, three counts of obstruction of justice and aiding and abetting, and one count of witness tampering for acts onboard the *M/T Stavanger Blossom*.

10. DSD Shipping was acquitted of two counts of obstruction of justice for allegedly concealing the sampling pipe.

11. In December 2014, DSD Shipping replaced the Oily Water Separator on board the *M/T Stavanger Blossom* with a newer model that retains historical records of alarms.

12. In May 2015, prior to trial in this matter, DSD Shipping outsourced technical management of its vessels to a third party. This third party implemented policies and procedures on DSD Shipping's vessels to prevent and detect misconduct including but not limited to, enhanced MARPOL training, enhanced MARPOL compliance audits, a zero-tolerance policy for MARPOL violations, and a Code of Conduct with a focus on ethics including accurate recordkeeping.

NOW WHEREFORE, DSD Shipping,

Recognizing that the criminal conviction described above is a basis for debarment as it raises issues concerning its present responsibility as a Government contractor, contractor under a Government assistance agreement or assistance participant;

understanding the mutual benefit of demonstrating its business integrity;

ensuring the integrity of procurement and assistance programs of the EPA and other federal agencies; and

resolving issues of discretionary suspension and debarment pursuant to 48 C.F.R. Subpart 9.4 and 2 C.F.R. Part 180;

agrees as follows:

IV. TERMS AND CONDITIONS

1. SCOPE AND APPLICATION. Det Stavangerske Dampskibsselskab, AS shall be the guarantor of this Agreement and shall: a) irrevocably guarantee, that in the event of any failure of any part of DSD Shipping's operations to meet DSD Shipping's obligation to comply with the terms of this Agreement, Det Stavangerske Dampskibsselskab, AS will cause DSD Shipping to meet such obligation; and b) consent to the jurisdiction of the U.S.

courts solely for purposes of resolving issues with this Agreement. Det Stavangerske Dampskibsselskab, AS provides that any legal successor or assign of Det Stavangerske Dampskibsselskab, AS shall remain liable for the guarantee and the commitment stated herein and an agreement to remain liable shall be included by Det Stavangerske Dampskibsselskab, AS in the terms of any sale of Det Stavangerske Dampskibsselskab, AS, acquisition of Det Stavangerske Dampskibsselskab, AS by any other entity, or merger of Det Stavangerske Dampskibsselskab, AS into any other entity.

2. COMPLIANCE WITH THE TERMS OF PROBATION. Respondent shall comply in full with the terms and conditions of probation imposed upon it by the U.S. District Court for the Southern District of Alabama at sentencing in the matter of *United States v. DSD Shipping, AS*, 1:15-cr-00102-CG-B (S.D. Ala.). The terms and conditions of probation address environmental compliance, oversight, and reporting. The Environmental Compliance Plan is attached hereto as Exhibit 1 and is hereby incorporated by reference as if restated in full.

a. DSD Shipping shall submit to the EPA Authorized Representative any correspondence Respondent is required to submit to the U.S. as described in the Environmental Compliance Plan.

b. DSD Shipping shall notify the EPA Authorized Representative within ten (10) days of Respondent's discovery of any violation of the terms and conditions of probation.

c. DSD Shipping's violation of the terms and conditions of probation may constitute a breach of this Agreement.

d. No terms of this Agreement are meant to conflict with the terms and conditions of probation. To the extent that any requirements of this Agreement conflict with the terms and conditions of probation, Respondent shall provide notice to the EPA Authorized Representative of such conflict. If a conflict is determined to exist, Respondent and the EPA will work to resolve that conflict through modification of the Agreement under Paragraph V.30. During resolution of the conflict, Respondent will continue to comply with all other terms and conditions of the Agreement.

3. BUSINESS COMPLIANCE AND ETHICS PROGRAM. Not later than thirty (30) days after the effective date of the Agreement, Respondent will have implemented, and agrees to maintain, a Self-governance and Business Ethics Program (the "Program") that covers all employees. The Program shall be maintained so as to ensure that Respondent and each of its employees maintains the business honesty and integrity required of a Government contractor/participant and that Respondent operates in strict compliance with all applicable laws, regulations, and the terms of any U.S. government contract or covered transaction.

The Program shall include the following components:

a. **CORPORATE COMPLIANCE MANAGER.**

Not later than 30 days after the effective date of the Agreement, Respondent will designate a qualified individual to be Respondent's Corporate Compliance Manager ("CCM"). Respondent shall provide the name and resume of the CCM to the EPA Authorized Representative within 30 days of the effective date of the Agreement. Respondents shall maintain the CCM position for the duration of this Agreement and shall notify the EPA Authorized Representative of any change in the individual holding that position.

The CCM is responsible for managing all aspects of Respondent's Program, and shall report, not less than quarterly, to Respondent's President and Board of Directors. The CCM shall serve as Respondent's first point of contact for all questions regarding the terms and conditions of this Agreement and Respondent's implementation of this Agreement, investigate complaints concerning Respondent's compliance with this Agreement, and report to the EPA Authorized Representative concerning Respondent's compliance with this Agreement.

b. **CODE OF CONDUCT AND BUSINESS ETHICS.** Respondent shall implement and maintain a written Code of Conduct and Business Ethics ("Code") and attached hereto as Exhibit 2. The Code is applicable to all Respondent's employees and describes Respondent's expectations regarding employee conduct, the consequences of misconduct, and methods for reporting and investigating complaints or suspected misconduct. The Code has been circulated, or within thirty (30) days of the effective date of this Agreement will be circulated, to each employee of Respondent. Within sixty (60) calendar days of the effective date of this Agreement, Respondent shall have each current employee acknowledge in writing that he or she has read and understood the Code. At least once in each calendar year on or about the anniversary date of the effective date of this Agreement, each then-current employee shall repeat the procedure of reading and acknowledging the Code. Within ten (10) calendar days of starting employment with the Respondent, each new employee shall read and acknowledge the Code in writing, indicating that he or she has read and understood the Code. Employee acknowledgements of the Code shall be recorded. Such acknowledgements will be made available to the EPA Authorized Representative for inspection upon request. Respondent shall post the Code prominently on all Respondent vessels and facilities.

c. **ANTI-RETALIATION POLICY.** Respondent shall maintain and implement an Anti-Retaliation Policy that prohibits all forms of retaliation for reporting suspected misconduct and that details the consequences of engaging in such retaliatory behavior. Respondent will make employees aware that they are protected from retaliation for efforts to report environmental compliance violations, business ethics issues or regulatory compliance issues.

d. **ETHICS TRAINING.** Not later than sixty (60) days after the effective date of the Agreement, Respondent shall institute and maintain an education program designed to educate employees on all applicable laws, regulations, and standards of

business conduct that employees are expected to follow and the consequences both to the employee and to the company that will ensue from any violation of such standards or rules.

The training must include at least one hour of live initial ethics training for every employee, plus, commencing one year after the effective date of the Agreement, each employee is required to take at least one hour of live ethics training annually. Existing employees, as of the effective date of the Agreement, will be trained within ninety (90) days of the effective date of the Agreement. New employees must receive such training within thirty (30) days of hire. A schedule and sample curriculum for the education program will be provided to EPA within sixty (60) days after the effective date of the Agreement.

Respondent shall document employee attendance by creating, maintaining, and making available to EPA upon request, employee "sign-in sheets" for any training/education program conducted under this term. Respondent shall document the content of any training/education program conducted under this term by retaining copies of a written syllabus for each class. Annual training required under this Agreement must take place no later than thirty (30) days prior to the next yearly anniversary of the Agreement to ensure that it may be included in an annual certification, if necessary.

e. **HOTLINE.** Not later than 30 days after the effective date of the Agreement, Respondent will have installed a toll-free, dedicated telephone number for confidential calls reporting suspected misconduct or for handling questions related to business ethics, business conduct, or regulatory compliance (hereinafter called the "Compliance Hotline"). The telephone line and reporting system will be separately controlled, operated and managed by an independent / third party contractor.

In addition, Respondent has posted in prominent places accessible to each of its employees, a notice giving the toll-free number, inviting confidential calls, and stating the company's commitment to comply with all applicable laws and regulations in the conduct of its business. A copy of the notice is attached as Exhibit 3 to this Agreement.

NOTE: See the "LEP Employees" provision in this Agreement for requirements on written communication.

f. **INVESTIGATION OF COMPLAINTS OR SUSPECTED MISCONDUCT.** Respondent shall maintain and implement a policy and procedure for the investigation of complaints to the Compliance Hotline and suspected misconduct identified through other corporate reporting avenues.

Respondent shall establish a corporate primary contact and alternate contacts for all communications directed to the company from the third-party operator of the Compliance Hotline. Complaints related to business ethics or business conduct shall be directed to the CCM or his/her delegate. Complaints concerning environmental issues on Respondent's vessels received by the Compliance Hotline will also be directed to the CCM or his/her delegate, and will be investigated with written investigation and corrective action

documentation retained by the CCM or his/her delegate for EPA, SDD audit review. Respondent will include in the Annual Report to EPA under Paragraph IV.5, a summary of all environmental concerns reported via the Compliance Hotline or through other corporate reporting avenues.

4. INDEPENDENT MONITOR. Respondent, at its sole expense, shall retain an Independent Monitor for the duration of this Agreement who meets the qualifications identified below to perform oversight of this Agreement.

Respondent shall provide the EPA Authorized Representative with the Independent Monitor's name, telephone number, email address, current position, resume, copy of monitoring contract, certification of conflict analysis and independence, and a summary of the Independent Monitor's qualifications to monitor the corporate and technical terms (e.g., knowledge and experience of health, safety, and permitted activities) of the agreement **no later than thirty (30) calendar days after the effective date of this Agreement**. If there is a change in Independent Monitor during the term of this Agreement, Respondent shall provide the EPA Authorized Representative with the new Independent Monitor's name, telephone number, email address, current position, resume, copy of monitoring contract, certification of conflict analysis and independence, and a summary of the Independent Monitor's qualifications to monitor the corporate and technical terms of the agreement no later than fourteen (14) calendar days after obtaining the services of the new Independent Monitor or fourteen (14) calendar days after the prior Independent Monitor's last day, whichever occurs earlier.

Respondent is responsible for ensuring that the Independent Monitor retained pursuant to this Agreement meets the qualifications below. Respondent's failure to retain the services of an Independent Monitor who meets the qualifications identified below will be considered a material breach of this Agreement.

The qualifications of the Independent Monitor shall include the necessary education, training and experience to determine Respondent's compliance with this Agreement. The Independent Monitor shall be qualified to evaluate compliance with the terms of this Agreement, including the Environmental Compliance Plan and the Self-governance and Business Ethics Program.

Respondent shall require the Independent Monitor to review this Agreement, its attachments, and any other documentation the Respondent or Independent Monitor believes necessary, in order to develop a monitoring work plan or program to be performed by the Independent Monitor, in accordance with the scope and provisions of this Agreement, as soon as possible, but no later than (14) calendar days after retaining the services of the Independent Monitor. Respondent shall provide the EPA Authorized Representative with a copy of the Independent Monitor's work plan and methodology for developing the work plan no later than thirty (30) calendar days after the effective date of this Agreement.

Although it is Respondent's responsibility to obtain the services of a qualified Independent

Monitor meeting the requirements established above in order to perform the responsibilities discussed herein, if the EPA has any concerns with the qualifications or performance of the Independent Monitor, the EPA will raise those concerns to Respondent in writing. It is Respondent's responsibility to take appropriate corrective action to address the EPA's written concerns. Respondent's failure to adequately address the EPA's written concerns within thirty (30) days of the EPA providing notification of such concerns to Respondent may be considered a material breach of this Agreement.

Note: The EPA has no contractual or other relationship with the Independent Monitor nor any privity of contract with the Independent Monitor. The contractual relationship is solely between the Independent Monitor and Respondent.

a. **NATURE OF EMPLOYMENT.** Respondent shall retain the Independent Monitor as an independent check upon Respondent's compliance with this Agreement. Respondent shall ensure that the Independent Monitor is not an agent of Respondent or the EPA, and his or her work pursuant to this Agreement is not subject to Respondent's assertion of the attorney-client or work product privilege doctrines. Respondent shall ensure that the Independent Monitor is an independent party who is appropriately certified, licensed and qualified to perform the responsibilities discussed herein and who has had no previous business relationship with Respondent. Respondent shall require the Independent Monitor to make available to the EPA, upon request, information and supporting documentation related to the Independent Monitor's performance under this Agreement. Respondent shall require the Independent Monitor to provide the EPA with the requested information and documentation within fourteen (14) days of the EPA's request.

b. **ANNUAL CERTIFICATION OF INDEPENDENCE.** Respondent shall require the Independent Monitor to provide an affidavit to Respondent, upon initial selection of the Independent Monitor and upon each anniversary of the effective date of this Agreement, certifying that the Independent Monitor has no financial, professional, personal, familial or other interest that would create an actual or apparent conflict of interest with Respondent, Respondent's employees, or affiliates, other than that arising from the appointment as the Independent Monitor. The affidavit must also certify that his or her representation of any other client will not create an actual or apparent conflict of interest in fulfilling his or her responsibilities as Independent Monitor. Respondent shall provide a copy of the certification to the EPA at the time of providing initial notification to the EPA Authorized Representative of Respondent's selection of an Independent Monitor as discussed above, and within fourteen (14) days of each anniversary of the effective date of this Agreement during the Independent Monitor's tenure.

c. **PARTICULAR DUTIES.** Respondent shall require the Independent Monitor to review Respondent's reports required under this Agreement and certify whether or not Respondent has complied with the terms of this Agreement during the reporting period. Respondent shall provide the Independent Monitor with the same access to materials and employees as Respondent provides the EPA Authorized Representative pursuant to "V.7." of this Agreement. Respondent shall require the Independent Monitor to provide its certification to Respondent, and simultaneously provide a copy to the EPA, no

later than thirty (30) calendar days after receipt of Respondent's report.

In addition, during the term of this Agreement, the Respondent shall require the Independent Monitor to perform an annual review of this Agreement and submit its findings to the Respondent and EPA in an annual report within thirty (30) calendar days of each anniversary of the effective date of this Agreement. Respondent shall ensure that the Independent Monitor receives a copy of any document submitted to EPA pursuant to this Agreement. Respondent shall require the Independent Monitor to annually review Respondent's reports, any supporting documentation, and any other documentation required pursuant to this Agreement, in order to prepare the annual report for Respondent evaluating Respondent's compliance with this Agreement and recommending any changes that seem appropriate. Respondent shall direct the Independent Monitor to issue the annual report to Respondent and to EPA without first discussing its proposed conclusions with Respondent. After review of the annual report, EPA, at its discretion, may provide additional recommendations to Respondent. Respondent shall provide its action plan for implementing any recommended changes to EPA and the Independent Monitor within sixty (60) calendar days of receipt of such recommendations.

Respondent shall require the Independent Monitor to perform an on-site audit of this Agreement and simultaneously submit its findings and any recommendations to the Respondent and EPA in a report within thirty (30) calendar days of the nine (9) month anniversary of the effective date of this Agreement. Respondent shall direct the Independent Monitor to submit the results of its audit within twenty-one (21) calendar days from completion of the on-site audit. The Respondent will address any recommendations with a corrective action plan in its next annual report and will provide updates on its progress on each outstanding item in subsequent annual reports until all such recommendations have been implemented.

5. REPORTS. Annually, beginning from the effective date of this Agreement, Respondent shall prepare and submit a written report to the EPA Authorized Representative describing the measures taken by Respondent during the previous twelve (12) month period to ensure compliance with this Agreement. Respondent's Chief Corporate Officer must review and certify the written report. The initial report shall be received by the EPA Authorized Representative within fourteen (14) calendar days of the twelve (12) month anniversary of this Agreement. Subsequent reports shall be received within the same time period for each twelve (12) month anniversary up to the final report. The final report shall be received by the EPA Authorized Representative no earlier than sixty (60) and no later than thirty (30) days prior to the end of the Agreement. Respondent's failure to meet these requirements on or before the dates agreed to may constitute a breach of this Agreement.

The reports shall include but not be limited to:

a. Initiatives related to the Program;

b. Standards of conduct, ethics, and compliance trainings conducted, the

subject matter covered, and the number and duty position of the persons who attended;

c. The initiation of and status of any ongoing investigation of, or legal proceedings involving alleged violation(s) of state or federal environmental laws, MARPOL requirements, Foreign Corrupt Practices Act, false statements, false claims, corruption, conflict of interest or antitrust violations, if Respondent has reason to believe that it or any of its principals, employees, or agents is a target or subject of such investigation. The report shall include a summary of times, places, and subject matter of search warrants, subpoenas, criminal charges, criminal or civil agreements, etc.;

d. A report identifying:

1. All calls made to the confidential Compliance Hotline or other corporate reporting avenue regarding environmental concerns on Respondent's vessels (regardless of subject matter);

2. Compliance issues related to Respondent's operations identified during Port State Compliance Inspections.

3. All instances of suspected misconduct brought to the attention of management through any other channel during the reporting period for which there are reasonable grounds to believe that the suspected misconduct may constitute a violation of federal or state civil law, regulation, or administrative action or administrative agreement, when such misconduct is in any way related to any of Respondent's business.

Such reports shall include, consistent with applicable privacy laws:

i. the date and source (generically identified only as employee, consultant, outsider, etc.). The complainant need not be identified and may remain anonymous.

ii. the medium of the report.

iii. the date and nature of the reported conduct.

iv. the type and results of any internal investigation and/or disciplinary action.

v. the date of feedback to the source of the information.

Matters pending resolution at the time of a reporting period shall continue to be reported until final resolution of the matter is reported. If Respondents

have received no reports of the type indicated above, Respondents shall report that fact. For purposes of this paragraph, Respondent may summarize the matters reported, however, the complete files on each case shall be made available to the EPA Authorized Representative upon request.

V. GENERAL PROVISIONS

1. **LEP EMPLOYEES.** Respondents will reduce language barriers for its employees that are limited English proficient (who do not speak English as their primary language and who have a limited ability to read, speak, write or understand English) by providing the LEP employees with language assistance services for the written materials, notices, and/or training required under this Agreement. Language assistance services may include, but are not limited to, oral interpretation services, bilingual staff, or written language services.

2. **NOTICE TO EMPLOYEES.** Respondent will notify all employees of the fact and substance of this Agreement, the nature of the wrongdoing leading to this Agreement, and the importance of each employee abiding by the terms and conditions of this Agreement and all requirements of law, regulations, and Respondent policies and procedures during the term of the Agreement. New employees shall be notified within ten (10) calendar days of their employment with Respondent as provided in this provision below.

Respondent may provide employees such notification of this Agreement by posting the Agreement on the Respondent's intranet site in such a manner as to ensure ready access by all employees and in the Respondent's employee break areas or other similar common areas normally used to post notices for employees, if such areas or intranet site exists. If posting this Agreement on the Respondent's intranet and common area as set forth herein does not ensure access to all employees, Respondent shall send this Agreement to all employees and principals and obtain written and signed documentation from each employee certifying that each employee reviewed and understands the Agreement.

3. **CORPORATE OFFICIAL'S CERTIFICATION.** Respondent's chief corporate official shall certify annually that Respondent is in compliance with all terms and conditions of this Agreement.

4. **REPORTS OF LEGAL PROCEEDINGS AND GOVERNMENT INVESTIGATIONS.** Respondent represents to the EPA that, to the best of its knowledge, neither it nor any of its principals or affiliates is currently under criminal or civil investigation by any governmental entity.

In addition to any periodic written reports, Respondent shall notify the EPA Authorized Representative as soon as possible, and no later than ten (10) calendar days after Respondent becomes aware of:

a. The initiation or continued development of any U.S. criminal or civil investigation by any governmental entity involving allegations of any

violation(s) of state or federal environmental laws, Foreign Corrupt Practices Act, false statements, false claims, corruption, conflict of interest or antitrust violations, if Respondent has reason to believe that it or any of its principals, employees, or agents is a target or subject of such investigation. "Initiation or continued development" in a criminal matter includes, but is not limited to, the issuance of a subpoena, the execution of a search warrant, or formal charges. "Initiation or continued development" in a civil matter includes, but is not limited to, the commencement of discovery, depositions, the issuance of administrative subpoenas, administrative adjudication, and the issuance of show cause orders;

b. Initiation of any U.S. legal action including, but not limited to, qui tam actions or citizen suits against Respondent or any of its principals, employees, or agents by any entity alleging violations of any state or federal environmental laws, the Foreign Corrupt Practices Act, false statements to government authorities or public filings, including filings required by U.S. security laws, false claims for government reimbursement, public corruption, conflict of interest, or anti-trust violations;

c. U.S. criminal charges, civil law suits, or administrative proceedings, including suspension or debarment actions, brought by any governmental entity against Respondent or any of its principals, employees, or agents, in a matter relating to the business of Respondent; or

d. Any U.S. conviction or guilty plea, nolo contendere plea, deferred prosecution agreement, pre-trial diversion agreement, civil judgment or civil consent decree in which the Respondent or any of its principals, employees, or agents are parties in a matter relating to the business of Respondent.

5. **REPORTS OF NONCOMPLIANCE OR MISCONDUCT.** Respondent shall report to the EPA Authorized Representative, as soon as possible and no later than twenty (20) calendar days after discovery by a principal(s) of any noncompliance with this agreement or suspected misconduct for which there are reasonable grounds to believe may constitute a violation of criminal or civil law or a federal or state administrative action or agreement when such misconduct is in any way related to the Respondent's business with a governmental entity. The misconduct to be reported pursuant to this provision includes misconduct by Respondent's employees, agents, or contractors engaged by Respondent to perform work in connection with a covered transaction or a transaction covered under the Federal Acquisition Regulation, as related in any manner to Respondent's business with a governmental entity.

Respondent will investigate all reports of such misconduct that come to its attention and will notify the EPA Authorized Representative of the outcome of such investigations and any potential or actual impact of the misconduct on any aspect of Respondent's business with a governmental entity. Respondent will take corrective action, including prompt restitution when established by a court or a tribunal with competent jurisdiction or agreed

upon between the parties for any harm to the governmental entity. Respondent will include summary reports of the status of each such investigation to the EPA Authorized Representative in the reports submitted pursuant to this Agreement until each matter is finally resolved. This requirement does not in any way waive Respondent's obligations to submit reports pursuant to any other section in this Agreement or requirements of the Federal Acquisition Regulation (FAR) 9.406-2 (b)(1)(vi) and 9.407-2 (a)(8), if applicable, or any other statutory or regulatory reporting requirement.

6. SCHEDULE OF AUDIT REPORTS. Respondent agrees to semi-annually provide the EPA Authorized Representative with a schedule of all internal and independent outside audit reports, relating to: (a) environmental compliance; (b) health and safety compliance; and (c) corporate integrity and business ethics. The semi-annual schedule of audit reports shall include a description of the audit, the name and contact information of the auditor and, when applicable, dates or proposed dates of the audits.

7. GOVERNMENT AUDITS AND ACCESS TO RECORDS AND INFORMATION. In addition to any other right the Federal Government may have by statute, regulation, agreement, or contract, upon reasonable notice (minimum five (5) calendar days), the EPA Authorized Representative may examine Respondent's books, records, and other company documents and supporting materials for the purpose of verifying and evaluating Respondent's compliance with the terms and conditions of this Agreement, including:

a. Respondent's business conduct in its dealings with all of its customers, including the Federal Government;

b. Respondent's compliance with federal laws, regulations, and procurement policies and with accepted business practices; and

c. Respondent's compliance with the requirements of covered transactions under the Nonprocurement Common Rule (2 C.F.R. Part 180) or any transaction covered under the Federal Acquisition Regulation (48 C.F.R. Chapter 1), as applicable.

The materials described above shall be made available by Respondent at all reasonable times for inspection, audit, or reproduction. Further, for purposes of this provision, the EPA Authorized Representative may interview any of Respondent's employees at the employee's place of business during normal business hours or at such other place and time as may be mutually agreed between the employee and the EPA Authorized Representative. Employees will be interviewed without a representative of Respondent or Respondent's principals being present. The employee may be represented personally by his own counsel, a union representative, or other representative not associated with the Respondent if requested by the employee. The employee also may decline to be interviewed.

As an alternative to an on-site audit of Respondent's compliance with the terms and conditions of this Agreement, the EPA may, at its sole election, conduct an audit

electronically or by mail in which instance Respondent shall provide documentation of its compliance with this Agreement including but not limited to providing copies of documentation maintained as required in this Agreement and such additional documentation and/or certifications as may be requested by the EPA.

8. SALE OF THE RESPONDENT'S BUSINESSES. The sale or transfer of ownership of Respondent's business or any divisions, subsidiaries, affiliates, business units, facilities, offices or other corporate components shall not be executed as an artifice to avoid being subject to the Agreement. The terms, conditions and obligations of this Agreement shall survive a merger or acquisition of the Respondent's business or other reorganization of Respondent's corporate structure and shall be fully binding upon any organization which is successor in interest. However, this Agreement is not intended to restrict the lawful and legitimate sale of assets through an arm's length transaction and would not bind an asset purchaser who purchases through an arm's length transaction.

9. THE RESPONDENT'S PURCHASE OF BUSINESSES. In the event that Respondent purchases or establishes new business units after the effective date of this Agreement, Respondent shall implement all provisions of this Agreement to the new business units, including any training or education requirements, within ninety (90) calendar days following such purchase or establishment. Should Respondent be unable to implement fully such provisions, training or education requirements within ninety (90) calendar days, Respondent shall notify the EPA Authorized Representative in writing, and shall propose a timeline for the complete implementation of the provisions of this Agreement to the new business units, which will be subject to the EPA SDO's approval. The Respondent shall be notified of the EPA SDO's decision on the implementation plan within thirty (30) calendar days of their receipt of the plan.

If, during the period covered by this Agreement, Respondent acquires or gains control of any business concern, which performs or may perform work on projects funded under covered transactions under the Nonprocurement Common Rule (2 C.F.R. Part 180) or transactions covered under the FAR (48 C.F.R. Chapter 1), the EPA Authorized Representative shall be notified within ten (10) calendar days of the acquisition. Such notice shall state the name, address, nature of the business concern, and any work it has done for any government entities over the last year.

10. RESTRUCTURING OR ACQUISITION OF NEW BUSINESSES. Respondent shall not, through a change of name, business reorganization, restructuring or realignment, sale or purchase of assets, or similar action, seek to avoid the obligations and conditions set forth in this Agreement.

11. HIRING NEW EMPLOYEES. Prior to hiring any new employees, Respondent shall make reasonable inquiry into the status of that employee which, at a minimum, shall include a review of the System for Award Management (SAM) or any successor system as maintained by the General Services Administration (GSA) on the internet (https://www.sam.gov/) for federal procurement and nonprocurement programs. The results from all SAM searches shall be kept in Respondent's records. Respondent is not,

however, required to decline to employ prospective employees who are suspended, debarred, proposed for debarment, or otherwise ineligible as prescribed by any governmental entity debarment program. However, Respondent will ensure that such employees have no responsibility for, or involvement with, Respondent's business affairs related in any manner whatsoever with federal procurement and nonprocurement programs, as applicable, until the final resolution of such suspension, proposed debarment, debarment, or statutory disqualification.

12. EXISTING EMPLOYEES. Respondent is required to conduct a SAM search on all existing employees within 90 days of the effective date of this Agreement. Respondent is not, however, required to terminate the employment of employees who are or become suspended, debarred, proposed for debarment, or otherwise ineligible as prescribed by any governmental entity debarment program during their employment with Respondent. However, Respondent will remove such employees from responsibility for, or involvement with, Respondent's business affairs related in any manner whatsoever with federal procurement and nonprocurement programs, as applicable, until the final resolution of such suspension, proposed debarment, debarment, or statutory disqualification.

In addition, if any employee of Respondent is charged with a criminal offense relating to business or otherwise relating to honesty or integrity, Respondent will remove that employee immediately from responsibility for, or involvement with Respondent's business affairs as related in any manner to a governmental entity.

If an employee is suspended, debarred, and/or statutorily disqualified, Respondent shall notify the EPA Authorized Representative of such action and the reasons therefore, and whatever personnel action Respondent may have taken against the employee, within ten (10) calendar days of the Respondent's knowledge of the suspension, debarment, and/or disqualification action.

13. TRANSACTIONS WITH SUSPENDED, DEBARRED, OR DISQUALIFIED PERSONS AND INELIGIBLE TRANSACTIONS.

Prior to entering into a new covered transaction under the Nonprocurement Common Rule (2 C.F.R. Part 180), any transaction covered under the FAR (48 C.F.R. Chapter 1) that is in excess of the subcontracting threshold contained in FAR Subpart 9.405-2(b), or renewing/exercising options to extend or otherwise extending such a transaction, Respondent shall review the SAM to identify any person that would be a participant, contractor, or principal in that transaction that may be currently excluded or disqualified from participation in such transaction as defined in II.9. Unless otherwise stated herein, Respondent shall not knowingly enter into any new covered transaction under the Nonprocurement Common Rule (2 C.F.R. Part 180), any transaction under the FAR (48 C.F.R. Chapter 1), or renew/exercise options to extend or otherwise extend such a transaction with a person listed on the SAM (http://www.sam.gov) as debarred, suspended, proposed for debarment, or otherwise ineligible as defined in II.12.

In addition, if a possible match is identified, Respondent shall require the person to certify in writing as to its status on the SAM. Respondent shall keep a paper copy of all search results and certifications that are required pursuant to this provision.

a. **EXCEPTIONS FOR COVERED TRANSACTIONS.**

(1) EPA COVERED TRANSACTIONS. Respondent may enter into an EPA covered transaction under the Nonprocurement Common Rule (2 C.F.R. Part 180) with a suspended or debarred person if: 1) Respondent submits to the EPA Authorized Representative in writing the compelling reasons that justify entering into a business transaction with a person listed on the SAM as soon as possible, but not later than sixty (60) calendar days prior to the date that the Respondent proposes to enter into such transaction; and 2) the EPA SDO approves the request for an exception to enter into the transaction. The EPA Authorized Representative shall notify the EPA SDO of the request. The EPA SDO shall respond to the request within forty-five (45) calendar days of receipt of the request from the EPA Authorized Representative. Unless otherwise indicated in writing by the EPA Authorized Representative, each request must be made on a transaction by transaction basis. If the EPA SDO does not approve the exception request and Respondent enters into an EPA covered transaction, the EPA may disallow costs, annul or terminate the transaction, issue a stop work order, debar or suspend Respondent, or take other remedies as appropriate.

(2) OTHER FEDERAL AGENCY COVERED TRANSACTIONS. Respondent may not enter into a covered transaction with an excluded person unless the Federal Agency responsible for the transaction grants an exception under 2 C.F.R. § 180.135. Respondent shall notify the EPA Authorized Representative of any such exception requests within (30) calendar days of the request to the Federal Agency and shall provide the EPA Authorized Representative with a copy of the exception approval, if granted, within ten (10) calendar days of receipt of the exception approval.

b. **REQUIREMENTS FOR TRANSACTIONS COVERED UNDER THE FAR.** Respondents with federal contracts covered under the FAR and subject to FAR 9.405-2 and FAR 52.209 shall provide the EPA Authorized Representative with a copy of the written notification provided to the applicable Contracting Officer within ten (10) calendar days of the notification to the Contracting Officer.

14. FUTURE MISCONDUCT DURING AGREEMENT. In matters unrelated to the misconduct stipulated herein, the EPA may find that the Respondent has materially breached this Agreement based on any misconduct which occurs during the period of the Agreement that leads to any action taken pursuant to 2 C.F.R. § 180.700, 2 C.F.R. § 180.800, or 48 C.F.R. Part 9, Subpart 9.4. The failure to implement all the AA requirements in the time(s) specified will constitute material breach of this agreement.

15. RESPONDENT'S LEGAL OBLIGATIONS. Nothing in this Agreement shall be deemed to limit or affect Respondent's obligations under any federal, state or local law or regulation, nor does this Agreement limit in any manner the EPA's ability to enforce any law or regulation within the EPA's jurisdiction.

16. UNALLOWABLE COSTS. Respondent agrees that costs, as defined in FAR 31.205-47 or described at 2 C.F.R. § 200.402, that arise from or are related to this Agreement, and that are incurred by, for, or on behalf of Respondent or any of Respondent's current or former officer(s), director(s), agent(s), employee(s), consultant(s), or affiliate(s), shall be expressly unallowable costs for covered transactions under the Nonprocurement Common Rule (2 C.F.R. Part 180) and transactions covered under the FAR (48 C.F.R. Chapter 1). Unallowable costs include, but are not limited to, costs arising from, related to, or in connection with:

a. The matters at issue herein;

b. The Government's criminal and civil investigations regarding the matters at issue herein; and

c. The EPA's review of Respondent's present responsibility, including but not limited to the costs of the Respondent's submissions, presentations, and appearances before the EPA Suspension and Debarment Program offices.

Respondent's costs of performing, implementing, and administering the terms and conditions of this Agreement, the costs incurred by the EPA Authorized Representative, and any fines or penalties levied or to be levied in or arising out of this Agreement, are agreed to be expressly unallowable costs. Also unallowable are Respondent's costs of bringing Respondent's self-governance, compliance, and/or ethics programs to a level acceptable to the EPA. Respondent agrees to account separately for such costs. Respondent's costs of maintaining, operating, and improving Respondent's corporate self-governance/compliance/ethics programs that are incurred after expiration of this Agreement, may be allowable costs.

Respondent agrees to treat as unallowable costs the full salary and benefits of any officer, employee, or consultant terminated from Respondent's employ or removed from participation in covered transactions (2 C.F.R. Part 180) or transactions covered under the FAR (48 C.F.R. Chapter 1) as a result of the wrongdoing at issue here and the cost of any severance payments or early retirement incentive payments paid to employees released from the Respondent's employ as a result of the wrongdoing at issue here. For purposes of the preceding sentence, the salary and benefits costs shall include all such costs from the first instance of participation of each individual in the matters at issue here, as determined by the EPA Authorized Representative.

Respondent recognizes that in order to comply with the terms and conditions of this paragraph, certain costs may need to be reclassified. Respondent shall proceed immediately to identify and reclassify such costs and, within ninety (90) calendar days of

the effective date of this Agreement, Respondent shall adjust any bid rate, billing rate, or unsettled final indirect cost rate pools to eliminate any costs made unallowable by this Agreement, and shall advise the EPA Authorized Representative, the cognizant administrative contracting officer or award official, and the cognizant Government auditor of the amount and nature of the reclassified costs within one hundred and twenty (120) calendar days of the date of this Agreement. The EPA Authorized Representative or a designated representative shall have the right to audit Respondent's books and records to verify compliance with this paragraph. Such audit rights shall be in addition to any audit rights the Government may have under the terms of any covered transactions under the Nonprocurement Common Rule (2 C.F.R. Part 180) and transactions covered under the FAR (48 C.F.R. Chapter 1) with Respondent.

17. ADVERSE ACTIONS. Respondent avers that adverse actions taken, or to be taken by it against any employee or other individual associated with Respondent arising out of or related to the wrongdoing at issue herein were solely the result of Respondent's initiatives and decisions and were not the result of any action by, or on behalf of, agents or employees of the United States.

18. BREACH OF AGREEMENT / SURVIVAL OF CAUSE FOR DEBARMENT. Respondent's failure to meet any of its obligations pursuant to the terms and conditions of this Agreement or any agreement specifically incorporated herein, if determined by the SDO to be a material breach of this Agreement, shall constitute a separate cause for suspension and/or debarment. Repeated violations of non-material provisions of this Agreement may cumulatively constitute a material breach of the Agreement. The underlying causes for debarment survive the execution of this Agreement and the EPA may initiate suspension or debarment proceedings against the Respondent or statutorily disqualify the Respondent on these grounds if there is a breach of this Agreement. Nothing in this provision or this Agreement shall be construed as a waiver of any legal rights of Respondent to contest the SDO's determination of materiality.

19. RESOLUTION OF DEBARMENT, SUSPENSION, OR STATUTORY DISQUALIFICATION. Provided that the terms and conditions of this Agreement are fulfilled, EPA will not suspend, debar, or statutorily disqualify the Respondent and will lift any existing suspension, debarment or statutory disqualification, as applicable, based on the facts and circumstances set forth in the Preamble herein. The EPA SDO's decision, which is based upon the facts at issue here, shall not restrict the EPA or any other Federal Agency from instituting administrative actions, including, without limitation, suspension, debarment or statutory disqualification should:

a. Other information indicating the propriety of such action come to the attention of the EPA or such other Federal Agency; or

b. Additional information concerning the facts at issue here is discovered by the EPA or such other Federal Agency and was not disclosed by Respondent.

This Agreement relates solely to suspension, debarment and statutory disqualification issues, pursuant to 48 C.F.R. Part 9, Subpart 9.4 and 2 C.F.R. Part 180 as implemented by 2 C.F.R. § 1532, in conjunction with the circumstances recited herein and in no way waives any criminal, civil, contractual, or administrative remedy or right which the Government may have for the circumstances so described in this Agreement.

20. NOTICE OF DEBARMENT PROCEEDINGS. Respondent hereby waives all further notice and opportunity for hearing to which it may otherwise be entitled to except that Respondent shall receive such notice(s) and opportunity for hearing as it would otherwise be entitled if provisions "V. 18" or "V. 19" are invoked or if a subsequent suspension or debarment action is initiated pursuant to 48 C.F.R. Part 9, Subpart 9.4 and 2 C.F.R. Part 180 as implemented by 2 C.F.R. § 1532.

21. RELEASE OF LIABILITY. Respondent hereby releases the United States, its instrumentalities, agents, and employees in their official and personal capacities, of any and all liability or claims related to the suspension, proposed debarment, or debarment of Respondent or the negotiation and administration of this Agreement.

22. PRESENT RESPONSIBILITY. By entering into this Agreement, the EPA is not determining that Respondent is presently responsible for any specific covered transaction under the Nonprocurement Common Rule (2 C.F.R. Part 180) or transactions covered under the FAR (48 C.F.R. Chapter 1). Respondent's compliance with the terms and conditions of this Agreement may be a contributing factor to be considered by an award official in rendering a responsibility determination for purposes of these transactions.

23. RESTRICTION ON USE. Respondent shall not use any term or condition of this Agreement, or the fact of the existence of this Agreement, for any purpose related to the defense of, or in mitigation of, any criminal, civil, or administrative investigation or action by any element of the Federal Government. However, the existence of this Agreement may be used in any action or proceeding initiated by any Federal Agency to suspend, debar or otherwise render ineligible Respondent based on the events giving rise to this Agreement.

24. BANKRUPTCY. Respondent shall not use bankruptcy proceedings to affect the enforcement of this Agreement in the interests of the Federal Government.

25. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether oral or written, relating to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

26. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which taken together, shall constitute one and the same agreement.

27. SEVERABILITY. In the event that any one or more of the provisions contained in

this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect other provisions of this Agreement.

28. PARAGRAPH HEADINGS. The paragraph headings in this Agreement are inserted for convenient reference only and shall not affect the meaning or interpretation of this Agreement.

29. PROPOSED CHANGES. Respondent shall notify the EPA Authorized Representative at least forty-five (45) calendar days prior to instituting any proposed changes in the directives, instructions, procedures, or programs governed by this Agreement. The EPA will verify, approve, or disapprove any such changes within thirty (30) calendar days of receipt of notification by Respondent. The proposed changes are effectively approved if no response is issued by the EPA within forty-five (45) calendar days of receipt of the proposed changes. The EPA reserves the right to require additional time to review proposed changes.

30. EFFECTIVE DATE AND MODIFICATION. This Agreement shall become effective only upon endorsement by the EPA SDO (the "effective date" of this Agreement). This Agreement may be amended or modified only by a written document signed by all parties, and shall become effective only upon endorsement by the EPA SDO. Any such request for modification by the Respondent shall be submitted to the EPA SDO through the EPA Authorized Representative. Requests shall be denied, endorsed, or endorsed as modified by the EPA SDO within thirty (30) calendar days of the EPA SDO's receipt of said request from the EPA Authorized Representative.

31. NOTICES. Any notices, reports, or information required hereunder shall be in writing and delivered electronically or mailed by registered or certified mail, postage prepaid as follows:

To Respondent (Respondent's Authorized Representative(s)):

Oddvar Hausken
Managing Director
DSD Shipping AS
Borehaugen 1
N-4006 Stavanger
PO Box 848
N-4004 Stavanger
Norway
+47 51 84 56 00
oddvar.hausken@dsd-shipping.no

With a copy to:

Brianna Brunt
DSD Shipping, AS
Borehaugen 1
N-4006 Stavanger
PO Box 848
N-4004 Stavanger
Norway
brianna.brunt@dsd-shipping.no

Lee Whiteoak
Compliance Manager (CSO/DPA)
WALLEM EUROPE
Sprinkenhof, 3rd Floor, Burchardstrasse 8,
20095 Hamburg, Germany
49 40 370 220 900
49 40 370 220 599 (fax)
lw@wallem.com

Steven P. Solow
Katten Muchin Rosenman LLP
2900 K Street NW, N. Tower, Suite 200
Washington, D.C. 20007
202-625-3550
steve.solow@kattenlaw.com

To EPA (EPA Authorized Representative(s)):

Peggy Anthony (Mail Code 3902R)
Lead Coordinator, Audits, Oversight and Reviews
Suspension and Debarment Division
Office of Grants and Debarment
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460
(202) 564-5364
Anthony.peggy@epa.gov

Via Overnight Mail:

Peggy Anthony (Room 51235)
Lead Coordinator, Audits, Oversight and Reviews
Suspension and Debarment Division
Office of Grants and Debarment

U.S. Environmental Protection Agency
1300 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

With a copy to:

Angelia Souder Blackwell
District Counsel, Southeastern District
Suspension and Debarment
U.S. Environmental Protection Agency
61 Forsyth Street
Atlanta, GA 30303
(404) 562-9878
(404) 562-9875 (fax)
Blackwell.angelia@epa.gov.

or such other address as either party shall have designated by notice in writing to the other party. Additionally, any such aforementioned submission to EPA sent by registered or certified mail must also be accompanied by a digital copy either by email, disc, or flash drive. Submissions to EPA may be electronic only.

32. PUBLIC DOCUMENT. This Agreement, including all attachments and reports submitted pursuant to this Agreement, subject to the restrictions under the Privacy Act, exemptions under the Freedom of Information Act, or other applicable limitations, is a public document and may be distributed by the EPA throughout the Government and entered into Government data base systems as appropriate, and provided to other interested persons upon request. It is Respondent's responsibility to claim as Confidential Business Information (CBI) any and all documents attached to and submitted pursuant to the requirements of this Agreement. If CBI is not claimed at the time such documentation is submitted to the EPA, Respondent hereby agrees it has waived such claim and has no objection to the EPA releasing such information to the public as appropriate.

This Agreement will be posted on the Federal Awardee Performance and Integrity Information System and any other public website as required by law.

33. EPA RELIANCE. Respondent and Respondent's signatories hereto represent that subject to criminal penalties pursuant to 18 U.S.C. § 1001 all written materials and other information supplied to the EPA by its authorized representative(s) during the course of discussions with the EPA preceding this Agreement, and during the term of this Agreement, are true, current, complete, and accurate, to the best of their information and belief. Respondent also represents that it has provided to the EPA all information in their possession relating to the facts at issue. Respondent understands that this Agreement is executed on behalf of the EPA in reliance upon the truth, accuracy, and completeness of all such representations.

34. TIME IS OF THE ESSENCE. Time is of the essence with respect to the

performance of, compliance with, and receipt of the benefit of all rights, duties, and obligations herein. If EPA should provide additional time for the Respondent to comply with any specific deadline hereunder, such tolerance by EPA shall not be construed as a waiver or modification for any future deadlines as required herein.

35. **Respondent's SIGNATORY(IES).** Oddvar Hausken, Managing Director of DSD Shipping, AS, is fully authorized to execute this Agreement and represents that he or she has authority to bind Respondent. Ingvald Loyning, Chief Executive Officer of Det Stavangerske Dampskibsselskab, AS is fully authorized to execute this Agreement and represents that he or she has authority to bind Det Stavangerske Dampskibsselskab, AS.

36. **ENDORSEMENT BY SUSPENSION AND DEBARMENT OFFICIAL.** This Agreement shall become effective only upon its endorsement by the EPA Suspension and Debarment Official.

37. **TERM.** The period of this Agreement shall be three (3) years from the date of endorsement by the EPA Suspension and Debarment Official (SDO).

VI. PARTIES' ENDORSEMENTS

FOR DET STAVANGERSKE DAMPSKIBSSELSKAB, AS

Ingvald Loyning
Chief Executive Officer
Det Stavangerske Dampskibsselskab, AS

16 AUG 2016
DATE

FOR DSD SHIPPING, AS

Oddvar Hausken
Managing Director
DSD Shipping, AS

16 AUG 2016
DATE

FOR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY SUSPENSION AND DEBARMENT DIVISION

Angelia Souder Blackwell
Debarment Counsel
EPA Suspension and Debarment Division

August 22, 2016
DATE

VII. SUSPENSION AND DEBARMENT OFFICIAL'S ENDORSEMENT

Having reviewed the terms and conditions of the above Administrative Agreement between the Environmental Protection Agency and DSD Shipping, AS and Guarantor Det Stavangerske Dampskibsselskab, AS, and in reliance on the representations, covenants, and terms herein, I hereby approve the said terms and conditions as an appropriate resolution of this matter. This approval is conditioned upon full compliance with all the terms and conditions of this Agreement. Any material breach or failure to comply with all the terms and conditions of this Agreement may result in a discretionary suspension or debarment as appropriate.

Duc H. Nguyen
EPA Suspension and Debarment Official

8/26/2016
DATE