

**UNITED STATES DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF CHIEF COUNSEL**

**In the Matter of:**

**Stoneco Energetic Systems, LLC,  
Respondent.**

**PHMSA Case No. 24-0001-SH-WE  
Docket No. PHMSA-2024-0150**

**DEFAULT ORDER OF THE CHIEF COUNSEL**

By a Notice of Probable Violation (Notice) issued on February 21, 2024, the Office of Chief Counsel, Pipeline and Hazardous Materials Safety Administration (PHMSA), proposed to assess Stoneco Energetic Systems, LLC (Respondent) a civil penalty under the provisions of 49 C.F.R. §§ 107.307 and 107.311. In the Notice, PHMSA alleged that Respondent committed one violation of the Hazardous Materials Regulations (HMR), 49 C.F.R. parts 171-180, and proposed a total civil penalty of \$9,375.

Pursuant to 49 C.F.R § 107.313, a respondent must reply to a Notice within thirty (30) days of receipt of the Notice. A respondent's failure to file a reply to the Notice constitutes a waiver of respondent's right to appear and contest the allegations and it authorizes the Chief Counsel, without further notice to the respondent, to find the facts to be as alleged in the Notice and issue an order directing compliance or assess a civil penalty, or, if proposed in the Notice, both. 49 C.F.R. § 107.313(b).

The Notice was sent to Respondent by certified mail, and the U.S. Postal Service Track & Confirm website indicated that the Notice was delivered to Respondent on April 27, 2024. As of the date of this Order, Respondent has failed to reply to the Notice. Because Respondent failed to reply to the Notice within thirty (30) days of receipt of the Notice, Respondent is in default. Accordingly, Respondent has waived its right to appear and contest the factual allegations contained in the Notice.

Under the authority of 49 U.S.C. § 5123 and 49 C.F.R. §§ 107.317 and 107.329, I hereby assess Respondent a total civil penalty of \$9,375, for the violation proposed in the Notice. This violation shall constitute a prior violation for the purposes of 49 U.S.C. § 5123.

Payment of the civil penalty is due within thirty (30) days of receipt of this Order, in accordance with the instructions contained in Addendum A. Respondent may appeal this Order to PHMSA's Administrator within twenty (20) days of receipt of this Order, in accordance with 49 C.F.R. § 107.325, and the instructions contained in Addendum A. An appeal from this Order will be denied unless Respondent demonstrates that the finding of default was erroneous or otherwise unjustified. Respondent bears the burden of proof on appeal. If Respondent prevails on appeal, it will be given an opportunity to respond to the Notice.

September 16, 2024

\_\_\_\_\_  
Date

*Vasiliki Tsaganos*

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Vasiliki Tsaganos  
Acting Chief Counsel

**CERTIFIED MAIL**

Appeal Information

If Respondent chooses to appeal, Respondent must:

- (1) File a written appeal within twenty (20) days of receiving this Order; a submission will be considered “filed” with PHMSA on the date it is received by PHMSA;
- (2) Address the appeal to the Administrator, Pipeline and Hazardous Materials Safety Administration, c/o Office of Chief Counsel, 1200 New Jersey Ave., SE, PHC- East Building 2<sup>nd</sup> Floor, Washington, DC 20590; and
- (3) State with particularity in the appeal the findings in the order that Respondent challenges.

The appeal must include all relevant information and documentation. PHMSA will not consider any arguments or information not submitted in or with the written appeal.

PHMSA will regard as untimely, and will not consider, any appeal that is received after the twenty (20) day period. PHMSA recommends the use of fax (202.366.7041) or an overnight service. An appeal received by PHMSA more than twenty (20) days after receipt of the Order by Respondent will not be considered and will not toll the deadline for payment of the civil penalty assessed in the Order.

**A decision on the appeal may be decided by the PHMSA Assistant Administrator (Executive Director)/Chief Safety Officer, under a delegation of authority by the PHMSA Administrator.**

Payment of Civil Penalty

The U.S. Department of Transportation’s Federal Aviation Administration (FAA) is authorized to receive and process payments of civil penalties assessed by PHMSA. Respondent must pay the civil penalty by (1) wire transfer, (2) certified check or money order, or (3) credit card via the Internet, in accordance with the following instructions.

- (1) Wire Transfer.

Detailed instructions for sending a wire transfer through the Federal Reserve Communications System (Fedwire) to the account of the U.S. Treasury are contained in the enclosure to this Order. Please direct questions concerning wire transfers to:

DOT/PHMSA/MMAC  
AMK-325/HQ-RM 181  
6500 S. MacArthur Blvd.  
Oklahoma City, OK 73169  
Telephone (405) 954-9309

(2) Check or Money Order.

Make check or money order payable to "U.S. Department of Transportation" (include the Ref. No. of this case on the check or money order) and send to:

DOT/PHMSA/MMAC  
AMK-325/HQ-RM 181  
6500 S. MacArthur Blvd.  
Oklahoma City, OK 73169

(3) Credit Card.

To pay electronically using a credit card, visit the following website address and follow the instructions:

<https://www.pay.gov/public/form/start/1078346>

Interest and Administrative Charges

If Respondent pays the civil penalty by the due date, no interest will be charged. If Respondent does not pay by that date, the FAA's Financial Operations Division will start collection activities and may assess interest, a late-payment penalty, and administrative charges under 31 U.S.C. § 3717, 31 C.F.R. § 901.9, and 49 C.F.R. § 89.23.

The rate of interest is determined under the above authorities. Interest accrues from the date of this Order. A late-payment penalty of six percent (6%) per year applies to any portion of the debt that is more than 90 days past due. The late-payment penalty is calculated from the date Respondent receives the Order.

Treasury Department Collection

FAA's Financial Operations Division may also refer this debt and associated charges to the U.S. Department of Treasury for collection. The Department of the Treasury may offset these amounts against any payment due Respondent (31 C.F.R. § 901.3).

Under the Debt Collection Act (see 31 U.S.C. § 3716(a)), a debtor has certain procedural rights prior to an offset. You, as the debtor, have the right to be notified of: (1) the nature and amount of the debt; (2) the agency's intention to collect the debt by offset; (3) the right to inspect and copy the agency records pertaining to the debt; (4) the right to request a review within the agency of the indebtedness and (5) the right to enter into a written agreement with the agency to repay the debt. This Order constitutes written notification of these procedural rights.

**INSTRUCTIONS FOR ELECTRONIC FUNDS TRANSFER TO  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION,  
U.S. DEPARTMENT OF TRANSPORTATION**

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| 1. <u>RECEIVER'S ABA NO.</u><br>021030004                                | 2. <u>TYPE SUBTYPE</u><br>(provided by sending bank)                                 |
| 3. <u>SENDING BANK ARB NO.</u><br>(provided by sending bank)             | 4. <u>SENDING BANK REF NO.</u><br>(provided by sending bank)                         |
| 5. <u>AMOUNT</u>   | 6. <u>SENDING BANK NAME</u><br>(provided by sending bank)                            |
| 7. <u>RECEIVER NAME:</u><br>TREAS NYC                                    | 8. <u>PRODUCT CODE</u> (Normally CTR, or<br>sending bank)                            |
| 9. <u>BENEFICIAL (BNF)- AGENCY<br/>LOCATION CODE</u><br>BNF=/AC-69140001 | 10. <u>REASONS FOR PAYMENT</u><br><i>Example:</i> PHMSA Payment for Case<br>#/Ticket |

**INSTRUCTIONS:** You, as sender of the wire transfer, must provide the sending bank with the information for Block (1), (5), (7), (9), and (10). The information provided in blocks (1), (7), and (9) are constant and remain the same for all wire transfers to the Pipeline and Hazardous Materials Safety Administration, Department of Transportation

**Block #1** - RECEIVER ABA NO. - "021030004". Ensure the sending bank enters this nine digit identification number; it represents the routing symbol for the U.S. Treasury at the Federal Reserve Bank in New York.

**Block #5** - AMOUNT - You as the sender provide the amount of the transfer. Please be sure the transfer amount is punctuated with commas and a decimal point. **EXAMPLE: \$10,000.00**

**Block #7** - RECEIVER NAME- "TREAS NYC." Ensure the sending bank enters this abbreviation, which must be used for all wire transfer to the Treasury Department.

**Block #9** - BENEFICIAL - AGENCY LOCATION CODE - "BNF=/AC-69140001" Ensure the sending bank enters this information. This is the Agency Location Code for Pipeline and Hazardous Materials Safety Administration, Department of Transportation

**Block #10** - REASON FOR PAYMENT – "AC-Payment for PHMSA Case#" To ensure your wire transfer is credited properly, enter the case number/ticket number or Pipeline Assessment number."

**Note:** - A wire transfer must comply with the format and instructions or the Department cannot accept the wire transfer. You, as the sender, can assist this process by notifying, at the time you send the wire transfer, the General Accounting Division at (405) 954-9309.