

STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION

IN THE MATTER OF:)	DIVISION OF UNDERGROUND STORAGE TANKS
XPO LOGISTICS FREIGHT, INC. d/b/a XPO, INC.,)	CASE NO. UST24-0194
)	
)	
RESPONDENT)	FACILITY: XPO LOGISTICS NMP

AGREED FINAL ORDER

On April 17, 2025, Order and Assessment UST24-0194 (the “Order”) was issued to XPO Logistics Freight, Inc. d/b/a XPO, Inc. (the “Respondent”). The Respondent and the Department of Environment and Conservation (“Department”) shall be collectively called the “Parties.” On May 23, 2025, the Respondent filed an appeal. The Department and Respondent hereby resolve this matter pursuant to Tennessee Code Annotated sections 4-5-105 and 68-215-119(b). By entering this Agreed Final Order, the Department hereby dismisses the Order, and the Respondent hereby waives the right to a contested case hearing and withdraws the appeal of the Order. This Agreed Final Order supersedes the Order. The Parties further stipulate and agree as follows:

PARTIES
I.

David W. Salyers, P.E., is the duly appointed Commissioner of the Department and is charged with administering and enforcing the Tennessee Petroleum Underground Storage Tank Act (“Act”), Tenn. Code Ann. §§ 68-215-101 to -204. Stanley R. Boyd is the duly appointed Director (“Director”) of the Division of Underground Storage Tanks (“Division”) and has received written delegation from the Commissioner to administer and enforce the Act.

II.

XPO Logistics Freight, Inc. d/b/a XPO, Inc.¹ is a corporation created in Delaware and is registered to conduct business in Tennessee. The Respondent is the registered owner of three underground storage tank (“UST”) systems located in Shelby County at 3955 East Shelby Drive, Memphis, Tennessee 38118, identified as Tank 6A (diesel), Tank 7A (waste oil), and Tank 8A (new oil) in the Division’s March, 11, 2024 letter to Respondent. At all times relevant to this matter, the Respondent owned the UST systems at issue. On April 24, 2025, the Order was properly served on the Respondent’s Registered Agent, Registered Agent Solutions, Inc. at 992 Davidson Drive, Suite B, Nashville, Tennessee 37205.

JURISDICTION

III.

When the Commissioner finds that the Act is being violated or that effective measures are not in place to comply with the Act, the Commissioner may issue an order for correction to the responsible party and assess civil penalties of up to \$10,000.00 for each day a violation exists. Tenn. Code Ann. §§ 68-215-114 and -121. If such order becomes final, the Commissioner may affix a notice of petroleum delivery prohibition (also known as a “red tag”) to the facility fill ports or dispensers or give notice on the Department’s website of petroleum delivery prohibition. Tenn. Code Ann. § 68-215-106(c). Rules governing USTs have been promulgated and are effective as Tenn. Comp. R. & Regs. 0400-18-01-01 to -.17 (“Rules”) pursuant to Tennessee Code Annotated section 68-215-107(f).

IV.

The Respondent is a “person,” Tenn. Code Ann. § 68-215-103(11), a “responsible party,” Tenn. Code Ann. § 68-215-103(17), and has violated the Act.

¹ The Respondent submitted documents to the Division that identify it as both “XPO, Inc.” and “XPO Logistics Freight, Inc.” Based upon filing with the Tennessee Secretary of State, it appears the Respondent was called XPO, Inc. until November 17, 2022, when it officially changed its name to “XPO Logistics Freight, Inc.”

FACTS

V.

On July 9, 2021, the Division received a Pre-Installation Notification for Underground Storage Tanks form, signed by Brent Moore, listing the Respondent as the owner of the UST system facility located at 3955 East Shelby Drive, Memphis, Tennessee 38118. The Pre-Installation Notification for Underground Storage Tanks indicated installation of tank 6A (diesel) on August 16, 2021. The facility has a total of three UST systems, and the facility ID number is 9-792329. A subsequent notification form received on February 5, 2024, confirmed the Respondent d/b/a XPO, Inc. and XPO Logistics Freight, Inc. owns the facility at issue.

VI.

On February 1, 2024, Division personnel performed a compliance inspection at the Facility. The inspector discovered several violations, all of which the Respondent has addressed.

In addition, during the inspection, Division personnel discovered that tanks 7A (waste oil) and 8A (new oil) had been installed at the facility without notification or certification to the Division, in violation of Tennessee Code Annotated section 68-215-106(a)(4) and Rules 0400-18-01-.02(1)(a)1., 0400-18-01-.02(1)(e), and 0400-18-01.03(1)(a)2. The Division later received a notification form identifying tanks 7A and 8A, as well as tank 6A, on February 5, 2024. This form identified the installation date of tanks 7A and 8A as June 1, 2005.

VII.

During enforcement review, the Division determined that tank 8A (new oil) contains petroleum substances and is subject to regulation. The Division requested delivery tickets for tank 8A to ascertain the deliveries of product prior to submission of the notification form on February 5, 2024. Based on the provided delivery tickets, 46 deliveries were made over a period of 2,546 days prior to submission of the February 5, 2024, notification form, in violation of Tennessee Code Annotated section 68-215-106(f)

and Rule 0400-18-01-.15(1)(b). The Division notified Respondent by letter dated March 11, 2024 (“Letter”) of the results of the February 1, 2024 compliance inspection and requested actions. The Respondent has now addressed the violations set forth in the Order and the Letter.

VIOLATIONS

The Order assessed the following violations:

VIII.

By failing to operate a UST in compliance with the Act, the Respondent violated Tennessee Code Annotated section 68-215-104(2), which states:

It is unlawful to: Construct, alter or operate a petroleum underground storage tank in violation of this chapter or the rules or regulations established pursuant thereto[.]

IX.

The Respondent violated Tenn. Code Ann. § 68-215-106(a)(4), which states:

Any owner who brings into use petroleum underground storage tanks after the initial notification period specified under subdivision (a)(1) shall notify the commissioner at least fifteen (15) days in advance of the date the tank is installed for storage of petroleum substances, specifying the age, size, type, location, and uses of such tank.

X.

The Respondent violated Rule 0400-18-01-.02(1)(a)1., which states:

0400-18-01-.02 UST SYSTEMS: INSTALLATION AND OPERATION.

(1) Installation.

(a) At least 15 days prior to the installation of any tank and/or new UST system construction activities at the site, the tank owner shall notify the Division in the following manner:

1. Submit a pre-installation notification form in accordance with part (1)(a)1. of Rule 0400-18-01-.03 for all the petroleum underground storage tanks and/or UST systems for which installation and/or construction is planned[.]

XI.

The Respondent violated Rule 0400-18-01-.02(1)(e), which states:

0400-18-01-.02 UST SYSTEMS: INSTALLATION AND OPERATION.

- (1) Installation.

- (e) Installation [of a UST or new UST system] shall be certified in accordance with part (1)(d)1. of Rule 0400-18-01-.03 within 15 days following completion of the installation.

XII.

The Respondent violated Rule 0400-18-.03(1)(a)2., which states:

0400-18-01-.03 NOTIFICATION, REPORTING, AND RECORD KEEPING.

- (1) Notification requirements.

- (a) Any owner who intends to bring or brings a new underground storage tank system into use shall notify the division as follows:

2. The owner of a newly installed tank shall submit notification of the underground storage tank system installation to the Division within 15 days in accordance with subparagraphs (b) through (d) of this paragraph.

The owner shall use the notification form designated by the Division.

XIII.

The Respondent violated Tennessee Code Annotated section 68-215-106(f) and Rule 0400-18-01-.15(1)(b), which state:

Tenn. Code Ann. § 68-215-106(f)—It is unlawful for any person to place, or cause to be placed, petroleum substances in a petroleum underground storage tank or to dispense petroleum from a petroleum underground storage tank when the owner of the tank is required to notify the commissioner under subsection (a) or (b) and the owner has not notified the commissioner of the existence or ownership of the tank. This subsection (f) applies even if no physical notice or tag is placed on the dispenser or fill port or no notice is placed on the department web site pursuant to subsection (c).

Rule 0400-18-01-.15(1)(b)—It is unlawful for any person to place, or cause to be placed, petroleum substances in a petroleum underground storage tank or to dispense petroleum from a petroleum underground storage tank when the owner of the tank is required to notify the Commissioner under T.C.A. § 68-215-106(a) or (b) and the owner has not notified the Commissioner of the existence or ownership of the tank. This subparagraph applies even if no physical notice or tag is placed on the dispenser or fill port or no notice is placed on the department web site pursuant to T.C.A. § 68-215-106(c).

ORDER AND ASSESSMENT

XIV.

Pursuant to the authority vested by Tennessee Code Annotated sections 68-215-107, 68-215-114, and 68-215-121 of the Act, the Commissioner orders, and the Respondent agrees, as follows:

1. The Respondent shall not allow any Probation Violation, as listed in Exhibit A attached to this Agreed Final Order, to occur at the Facility for a period of one year from the Effective Date of this Agreed Final Order. The Division reserves its rights to reinspect the Facility as needed to ensure compliance with this provision and with the Act.

2. The Respondent is assessed a civil penalty totaling \$110,140.00. The Respondent shall pay this civil penalty as follows:

a. Within 30 days of the Effective Date of this Agreed Final Order, the Respondent shall pay

\$60,000.00. Should the payment due date be a Saturday, Sunday, or legal State holiday, the payment shall be paid such that it is received by the Department not later than the next business day following such a day.

b. The Respondent shall pay the remaining unpaid portion of the \$110,140.00 civil penalty within fifteen days of the occurrence of the following:

- i. A Probation Violation (set forth in Exhibit A) occurs at the Facility within one year of the Effective Date of this Agreed Final Order;
- ii. The Respondent fails to timely make the payment provided for in paragraph 2.a; or
- iii. The Respondent fails to otherwise comply with any other provision set forth in this Agreed Final Order.

3. All payments contemplated herein shall be made via check, money order, or wire transfer. For payment via check or money order: the payment shall be made payable to the "Treasurer, State of Tennessee" and sent to the Division of Fiscal Services - Consolidated Fees Section, Tennessee Department of Environment and Conservation, Davy Crockett Tower, 500 James Robertson Pkwy, 6th Floor, Nashville, Tennessee 37243. The case number, "UST24-0194," must be clearly shown on the check or money order to ensure that the payment is properly credited. For payment by wire or ACH, please contact the Consolidated Fees Section for instructions.

4. This Agreed Final Order is final for purposes of Tennessee Code Annotated sections 68-215-106(c); -115(b)(2); -119(a); and -121(b)(4) and (5). This Agreed Final Order resolves all matters set forth in the Order and Letter. If the Respondent fails to comply with this Agreed Final Order, the remaining unpaid portion of the civil penalty shall be due and owing and **the Facility will be placed on the Delivery Prohibition List and the fill ports and dispensers will be red tagged in accordance with Tennessee Code Annotated section 68-215-106(c) until any unpaid civil penalties are paid**

and compliance is achieved.

5. Each of the undersigned representatives is fully authorized by the Party he or she represents to enter into the terms and conditions of this Agreed Final Order and is authorized to legally bind such Party to this agreement.

6. The “Effective Date” of this Agreed Final Order shall be the date it is signed by the Commissioner of the Department of Environment and Conservation, provided that all other parties have signed the Agreed Final Order.

DEPARTMENT'S RESERVATION OF RIGHTS

XV.

In entering this Agreed Final Order, the Department does not implicitly or expressly waive any provision of the Act or the regulations promulgated thereunder or the authority to assess costs, civil penalties, and/or damages incurred by the State against the Respondent. The Department expressly reserves all rights it has at law and in equity to order further corrective action, assess civil penalties and/or damages, and to pursue further enforcement action including, but not limited to, monetary and injunctive relief. Compliance with this Agreed Final Order will be considered as a mitigating factor in determining the need for future enforcement action(s).

RESPONDENT'S RESERVATION OF RIGHTS

XVI.

The Respondent does not admit or deny the factual allegations or the alleged violations of law contained in this Agreed Final Order. The Respondent reserves its rights to contest the factual allegations and alleged violations contained in this Agreed Final Order in any proceeding other than a proceeding brought by the Department to enforce the terms of this Agreed Final Order.

Issued by the Commissioner of the Tennessee Department of Environment and Conservation and agreed to by the XPO Logistics Freight Inc. d/b/a XPO, Inc. on this 15 day of December, 2025.



David W. Salyers, P.E., Commissioner
Department of Environment and Conservation



XPO Logistics Freight Inc. d/b/a XPO, Inc.
By: Matthew Zellen
Title: Director, EHS (Environmental Health, and Safety)

*Sworn to and subscribed before me on this the 4
day of December, 2025. This notarial act was
performed in Washtenaw County.*

Reviewed by:



Austin M. Moore
BPR # 035258
Senior Associate Counsel
Department of Environment and Conservation
Davy Crockett Tower
500 James Robertson Pkwy, 5th Floor
Nashville, Tennessee 37243
(629) 250-1158
austin.moore@tn.gov

JANET M. BISARD
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF WASTHENAW
My Commission Expires August 9, 2029
Acting in the County of Washtenaw



Leah A. Dundon
BPR # 018674
BEVERIDGE & DIAMOND, P.C.
1900 N Street, N.W., Suite 100
Washington, DC 20036
(615) 428-0643
(202) 789-6000
ldundon@bdlaw.com

EXHIBIT A - LIST OF PROBATION VIOLATIONS

Violation	State Cite	Rule Section
Failure of tanks installed on or after July 24, 2007 to be secondarily contained.	0400-18-01-.02(2)(a)1	UST Systems: Installation & Operation (Secondary Containment)
Failure to provide interstitial monitoring on tanks installed on or after July 24, 2007.	0400-18-01-.02(2)(a)5	UST Systems: Installation & Operation (Secondary Containment)
Failure of piping installed on or after July 24, 2007 to be secondarily contained.	0400-18-01-.02(2)(b)1	UST Systems: Installation & Operation (Secondary Containment)
Failure of piping installed on or after July 24, 2007 to be monitored for a release at least every thirty (30) days.	0400-18-01-.02(2)(b)5	UST Systems: Installation & Operation (Secondary Containment)
Failure to install any spill prevention system.	0400-18-01-.02(3)(a)1(i)	UST Systems: Installation & Operation
Failure to install any overfill prevention system.	0400-18-01-.02(3)(a)1(ii)	UST Systems: Installation & Operation
Failure to provide any cathodic protection for metal tanks.	0400-18-01-.02(4)(a)	UST Systems: Installation & Operation
Failure to permanently close a lined tank where CP was not added by the December 22, 2012 deadline.	0400-18-01-.02(4)(a)3(v)	UST Systems: Installation & Operation
Failure to provide any cathodic protection for metal piping.	0400-18-01-.02(4)(b)	UST Systems: Installation & Operation
Failure to provide release detection method capable of detecting a release from tank or piping that routinely contains product.	0400-18-01-.04(1)(a)1	Release Detection (General)
Failure to install, calibrate, operate, or maintain release detection method in accordance with manufacturer's instructions.	0400-18-01-.04(1)(a)2	Release Detection (General)
Failure to provide a release detection method that meets the performance requirements for tanks or piping.	0400-18-01-.04(1)(a)3	Release Detection (General)
Failure to monitor tanks at least every 30 days, if appropriate.	0400-18-01-.04(2)(a)	Release Detection (General)
Failure to provide any release detection for underground piping.	0400-18-01-.04(2)(b)	Release Detection (Piping)
Failure to install line leak detector for pressurized underground piping.	0400-18-01-.04(2)(b)1(i)	Release Detection (Pressurized Piping)
Failure to conduct annual line tightness test or do monthly monitoring on pressurized underground piping	0400-18-01-.04(2)(b)1(ii)	Release Detection (Pressurized Piping)
Failure to comply with general remedial requirements.	0400-18-01-.06	Petroleum Release Response, Remediation, and Risk Management
Division not notified of tank closure.	0400-18-01-.07(4)(a)1-2	Out-of-Service UST Systems and Closure
Failure to conduct system closure sampling.	0400-18-01-.07(5)(a)-(b)	Out-of-Service UST Systems and Closure
Failure to register an underground storage tank in accordance with the statute.	Tenn. Code Ann. § 68-215-106(a)	Tennessee Code Annotated
Placing petroleum into an underground storage tank system(s) where the Division has attached a tag or notice to the dispensers or fill ports or that has been placed on the Delivery Prohibition list on the website.	Tenn. Code Ann. §§ 68-215-106(c) and (e) 0400-18-01-.10(6)(a)	Fee Collection
Illegal Red Tag Removal	Tenn. Code Ann. § 68-215-106(c)-d	Tennessee Code Annotated