



UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY

BEFORE THE ADMINISTRATOR

In the Matter of:)
)
Laser Products, Inc.,) Docket No. CAA-02-2011-1218
)
Respondent.)

**ORDER DENYING MOTION FOR EXTENSION AND
PREHEARING ORDER**

This proceeding is governed by the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits, 40 C.F.R. §§ 22.1 through 22.45 (“Rules of Practice” or “Rules”). The Rules of Practice, an informal Practice Manual, and significant decisions issued by the EPA Office of Administrative Law Judges may be found on the Office’s Website at <http://www.epa.gov/oalj>. The Website also links to a Citizen’s Guide that serves as an informal overview and guide to proceedings before the Office. The parties are advised to familiarize themselves with these materials and all relevant statutes.

This action was initiated on October 4, 2011, by the Director of the Caribbean Environmental Protection Division of the United States Environmental Protection Agency, Region 2 (“Complainant” or “EPA”), filing an Administrative Complaint against Laser Products, Inc. (“Respondent”), under Section 113(d) of the Clean Air Act (“CAA”), 42 U.S.C. § 7413(d). Both parties agreed to participate in the Alternative Dispute Resolution (“ADR”) process offered by the Office of Administrative Law Judges, but the process concluded on March 30, 2012 without the parties having reached a settlement. On April 5, 2012, the parties filed a Status Report and Joint Motion Requesting Stay in the Proceedings, and a sixty-day stay was granted on April 6, 2012. The parties were informed that if they did not file a Consent Agreement and Final Order (“CAFO”) by June 1, 2012, a prehearing order would be issued in this matter.

On June 1, 2012, Complainant served a Motion Requesting Extension of Time to File Consent Agreement and Final Order, in which Complainant requested a twenty-day extension of time to file a CAFO. In that motion, Complainant stated that Complainant’s counsel had been out of the office and unable “to dedicate the necessary effort to submit the finalized” CAFO, but that Complainant understood that twenty additional days would be sufficient. That motion was granted on June 4, 2012, and the deadline was extended to June 21, 2012. On June 21, 2012, Complainant served a Motion Requesting an Additional Extension of Time to File Consent

Agreement and Final Order (“Motion”). In the Motion, Complainant requests an additional thirty days to file a CAFO before this Tribunal issues an order setting prehearing deadlines.

A filing deadline may be extended “upon timely motion of a party to the proceeding, for good cause shown . . .” 40 C.F.R. § 22.7(b). Motions requesting extensions of time “shall be filed sufficiently in advance of the due date so as to allow other parties reasonable opportunity to respond and to allow the Presiding Officer . . . reasonable opportunity to issue an order.” *Id.* Agency policy supports settlement. 40 C.F.R. § 22.18(b)(1). However, the parties in this matter have failed to finalize a settlement agreement despite engaging in ADR for four and a half months, and then receiving an additional eighty days beyond that process. Furthermore, Complainant did not serve its Motion until the day of the deadline, depriving Respondent of a reasonable opportunity to respond and depriving the undersigned of a “reasonable opportunity to issue an order.” 40 C.F.R. § 22.7(b). Under the circumstances, Complainant has not shown good cause to extend the deadline and delay issuing a prehearing order. The Motion is therefore **DENIED**. While the parties are free to file a CAFO resolving this matter at any time, they are instructed to prepare for hearing and strictly comply with the prehearing requirements of this Order, as set forth below.

Prehearing Exchange. This Order is issued pursuant to Rule 22.19(a). The parties are directed to engage in the following prehearing exchange of information:

1. *Each party* shall file with the Regional Hearing Clerk, serve on the opposing party, and serve on the Presiding Judge:
 - (A) a list of the names of any witnesses the party intends to call at the hearing, or a statement that no witnesses will be called. The list of witnesses must identify each witness as a fact witness or an expert witness, include a brief narrative summary of their expected testimony, and be accompanied by a curriculum vitae or resume for each expert witness.
 - (B) copies of all documents, records, and other exhibits the party intends to introduce into evidence. Each document, record, or other exhibit must be identified as “Complainant’s” or “Respondent’s” exhibit, as appropriate, and be numbered with Arabic numerals (*e.g.*, CX 1 or RX 1).
 - (C) a statement indicating where the party wants the hearing to be held, and how long the party will need to present its case. *See* 40 C.F.R. §§ 22.21(d), 22.19(d). The statement must also indicate whether translation services will be necessary in regard to the testimony of any witness(es), and, if so, state the language to be translated.
2. In addition, *Complainant* shall submit the following as part of its Initial Prehearing Exchange:

(A) a brief narrative statement, and copies of any supporting documents, explaining in detail the factual and/or legal bases for the allegations in Paragraphs 20, 21, and 25 through 36 of the Complaint, to the extent Respondent denied those allegations in its Answer;

(B) a copy of any reports, notes, or other pertinent documentation produced as a result of the inspections referred to in Paragraph 19 of the Complaint;

(C) a copy of the document referred to in Paragraph 20 of the Complaint; and

(D) a copy, or a statement of the internet address (URL), of any policy or guidance relied on by Complainant in calculating the proposed penalty, or intended to be relied on if that penalty is adjusted.

3. In addition, *Respondent* shall submit the following as part of its Prehearing Exchange:

(A) a narrative statement, and a copy of any documents in support, explaining in detail the factual and/or legal bases for the assertions in Paragraphs 20, 21, 25 through 36, and 38 through 40 of the Answer;

4. Finally, *Complainant* shall submit as part of its Rebuttal Prehearing Exchange:

(A) a statement and/or any documents in response to Respondent's Prehearing Exchange with regard to 3(A) above.

The prehearing exchanges called for above shall be filed *in seriatim* fashion, pursuant to the following schedule:

July 20, 2012 Complainant's Initial Prehearing Exchange

August 10, 2012 Respondent's Prehearing Exchange

August 24, 2012 Complainant's Rebuttal Prehearing Exchange

Rule 22.19(a) provides that, except in accordance with Rule 22.22(a), **any document not included in the prehearing exchange shall not be admitted into evidence, and any witness whose name and testimony summary are not included in the prehearing exchange shall not be allowed to testify.** Therefore, each party should thoughtfully prepare its prehearing exchange.

Supplement to Prehearing Exchange. Any addition of a proposed witness or exhibit to the prehearing exchange shall be filed with an accompanying *motion to supplement* the prehearing exchange.

Default and Opportunity for a Hearing. The Complaint in this matter gave Respondent notice and opportunity for a hearing, in accordance with section 554 of the Administrative Procedure Act, 5 U.S.C. §§ 554 et seq (“APA”). Respondent’s Answer to the Complaint contains a request for such a hearing. As such, section 554(c)(2) of the APA requires a hearing to be conducted in accordance with section 556 of the APA. Section 556(d) provides that a party is entitled to present its case or defense by oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts. Thus, Respondent has the right to defend against Complainant’s charges by way of direct evidence, rebuttal evidence, or through cross-examination of Complainant’s witnesses. Respondent is entitled to elect any or all three means to pursue its defenses. *If Respondent intends to elect only to conduct cross-examination of Complainant’s witnesses and to forgo the presentation of direct and/or rebuttal evidence, Respondent shall serve a statement to that effect on or before the date for filing its prehearing exchange.*

Respondent is hereby notified that failure to either comply with the prehearing exchange requirements set forth herein, or to state that it is electing only to conduct cross-examination of Complainant’s witnesses, can result in the entry of a default judgment against it. Complainant is notified that its failure to file its prehearing exchange in a timely manner can result in a dismissal of the case with prejudice.

The mere pendency of settlement negotiations, or even the existence of a settlement in principle, does not constitute a basis for failing to strictly comply with the prehearing exchange requirements of this Order. Only the filing with the Regional Hearing Clerk of a fully-executed Consent Agreement and Final Order, or an order of the judge, excuses noncompliance with filing deadlines.

Filing and Service. A document is “filed” when the Regional Hearing Clerk *receives* it. A document is “served” upon mailing or when placed in the custody of a reliable commercial delivery service. The parties are encouraged to send a courtesy copy of each document to the Office of Administrative Law Judges by facsimile or email, in addition to the mailed hard copy, as physical mail delivery is often subject to significant delay. The facsimile number for the Office of Administrative Law Judges is (202) 565-0044, and the email address is oaljfiling@epa.gov. A signed certificate of service must be attached to all filed documents.

Any document sent to the undersigned in this proceeding shall be addressed as follows:

If sent by the U.S. Postal Service (USPS):

The Honorable Susan L. Biro, Chief Administrative Law Judge
Office of Administrative Law Judges
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W., Mail Code 1900L
Washington, DC 20460

If hand-delivered or sent by a non-USPS delivery service that x-rays its packages as part of its routine security procedures, such as Federal Express or UPS:

The Honorable Susan L. Biro, Chief Administrative Law Judge
Office of Administrative Law Judges
U.S. Environmental Protection Agency
1099 14th Street, N.W., Suite 350
Washington, DC 20005

The parties are advised NOT to include, attach, or refer to the terms of settlement offers or agreements, in any document submitted to the undersigned, and no copies of Consent Agreements and Final Orders shall be submitted, or attached to any document submitted, to the undersigned except those that are fully executed and filed with the Regional Hearing Clerk.

Contact Information. Telephone contact may be made with my legal assistant, Maria Whiting-Beale, at (202) 564-6259 to ask whether a document has been received or issued. Email or telephone contact may be made with my staff attorney, Ed Kulschinsky, Esq., at (202) 564-4133 (kulschinsky.edward@epa.gov), for procedural questions.

Motions. Prior to filing any motion, the moving party must contact the other party or parties to determine whether the other party has any objection to the granting of the relief sought in the motion, and the motion shall state the position of the other party or parties. The mere consent of the other parties to the relief sought does not assure that the motion will be granted. Furthermore, all motions must be submitted in sufficient time to permit the filing of a response by the other party and/or the issuance of a ruling on the motion before any relevant deadline set by this or any subsequent order. Rules 22.16(b) and 22.7(c) allow a fifteen-day (15) response period for motions, with an additional five (5) days added thereto if the motion is served by mail. Motions not filed in a timely manner may not be considered.

If any party intends to file any dispositive motion regarding liability, such as a motion for accelerated decision or motion to dismiss under Rule 22.20(a), it shall be filed within thirty (30) days after the due date for Complainant's Rebuttal Prehearing Exchange.

Rule 22.16(d) allows a party to submit a written request for oral argument upon filing a motion, a response to a motion, or a reply. The requesting party shall propose an appropriate location for the argument. The Office of Administrative Law Judges has access to videoconferencing technology and strongly encourages the parties to consider utilizing such technology for oral arguments on motions so as to minimize the expenditure of time and monetary resources in connection with such arguments. A request for oral argument may be granted, in the undersigned's discretion, where further clarification and elaboration of arguments would be of assistance in ruling on the motion.

SO ORDERED.

A handwritten signature in black ink, appearing to read "S. Biro", written over a horizontal line.

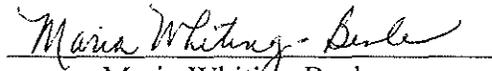
Susan L. Biro
Chief Administrative Law Judge

Dated: June 26, 2012
Washington, D.C.

In the Matter of Laser Products, Inc., Respondent
Docket No.CAA-02-2011-1218

CERTIFICATE OF SERVICE

I certify that the foregoing **Order Denying Motion For Extension And Prehearing Order**, dated June 26, 2012, was sent this day in the following manner to the addressees listed below.



Maria Whiting-Beale
Staff Assistant

Dated: June 26, 2012

Original and One Copy By Regular Mail To:

Karen Maples
Regional Hearing Clerk
U.S. EPA
290 Broadway, 16th Floor
New York, NY 10007-1866

Copy By Regular Mail and E-Mail To:

Carolina Jordan-Garcia, Esquire
Office of Regional Counsel
Caribbean Environmental Protection
Division
City View Plaza II, Suite 7000
#48 Road 165 Km. 1.2
Guaynabo, PR 00968-8069

Pedro Reyes Bibiloni, Esquire
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