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BEFORE THE ENVIRONMENTAL APPEALS BOARD
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C.

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ENVIR. APPEALS BOARD

In the Matter of:

Peace Industry Group (USA), Inc., and Blue
Eagle Motor, Inc.

Respondents.

Docket No.
CAA-HQ-2014-8119

CONSENT AGREEMENT

Preliminary Statement

1. This is a civil administrative penalty assessment proceeding instituted under section 205(c)(1) of the Clean Air Act (CAA), 42 U.S.C. § 7524(c)(1). The issuance of this Consent Agreement and attached Final Order concludes this proceeding. 40 C.F.R. § 22.13(b).
2. Complainant in this matter is the United States Environmental Protection Agency (EPA). On the EPA's behalf, Phillip A. Brooks, Director, Air Enforcement Division, Office of Civil Enforcement, Office of Enforcement and Compliance Assurance, is authorized by lawful delegation to institute and settle civil administrative penalty assessment proceedings under section 205(c)(1) of the CAA, 42 U.S.C. § 7524(c)(1). EPA Delegation 7-6-A (Aug. 4, 1994); Office of Enforcement and Compliance Assurance Redefinition 7-6-A (March 5, 2013); Office of Civil Enforcement Redefinition 7-6-A (March 5, 2013).
3. Respondents in this matter are Peace Industry Group (USA), Inc. (Peace USA) and Blue Eagle Motor Inc. (Blue Eagle). Respondents are each incorporated under the laws of the

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State of Georgia with an office at 2649 Mountain Industrial Boulevard, Tucker, Georgia, 30084. At all times relevant to this action, Respondents were engaged in the business of selling, offering for sale, introducing into commerce, delivering for introduction into commerce, or importing (or causing the foregoing with respect to) vehicles regulated under the CAA.

4. At all times relevant to this action, Respondents assisted Chinese manufacturers Zhejiang Peace Industry and Trade Co., Ltd. (Zhejiang Peace) and Chongqing Astronautic Bashan Motorcycle Manufacturing Co., Ltd. (Bashan) in obtaining certificates of conformity (COCs) required by the CAA to introduce the manufacturer's vehicles into the United States commerce. Peace USA also imports these vehicles and introduces them into United States commerce. Zhejiang Peace and Bashan manufacture, label, and deliver vehicles for introduction into United States commerce. In their applications for COCs, both manufacturers identified both Peace USA and Blue Eagle as agents for service of process.
5. The EPA and Respondents, having agreed to settle this action, consent to the entry of this Consent Agreement and the attached Final Order before taking testimony and without adjudication of any issues of law or fact herein, and agree to comply with the terms of this Consent Agreement and the attached Final Order.

Jurisdiction

6. This Consent Agreement is entered into under section 205(c)(1) of the CAA, 42 U.S.C. § 7524(c)(1), and the "Consolidated Rules of Practice Governing the Administrative

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Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits,” 40 C.F.R. Part 22 (Consolidated Rules).

7. The EPA may administratively assess a civil penalty if the penalty sought is less than \$320,000. CAA §§ 205(c)(1), 211(d)(1), 42 U.S.C. §§ 7524(c)(1), 7545(d)(1); 40 C.F.R. §§ 19.4, 1068.125(b).
8. The Environmental Appeals Board is authorized to issue consent orders memorializing settlements between the EPA and Respondents resulting from administrative enforcement actions under the CAA, and to issue final orders assessing penalties under the CAA. 40 C.F.R. § 22.4(a)(1); EPA Delegation 7-41-C.
9. The Complaint in this matter was filed by the EPA on June 27, 2014, pursuant to section 205(c)(1) of the CAA, 42 U.S.C. § 7524(c)(1). The respondents were Zhejiang Peace, Bashan, Peace USA, and Blue Eagle. The Complaint alleges that those respondents manufactured and introduced into United States commerce highway motorcycles and recreational vehicles that do not comply with provisions on Title II of the CAA, 42 U.S.C. § 7521-7554 and regulations promulgated thereunder. On July 29, 2014, Peace USA and Blue Eagle filed a joint Answer to the Complaint. Zhejiang Peace and Bashan each filed individual Answers to the Complaint. The parties entered into the Office of Administrative Law Judge’s Alternative Dispute Resolution program, but were unable to reach a settlement in the case. The program was terminated on November 26, 2014. On April 10, 2015, the EPA filed a Motion for Default Order against Zhejiang Peace and Bashan. On March 29, 2016, Administrative Law Judge Lisa Buschmann issued a Default Order and Initial Decision. The Default Order severed counts against Zhejiang Peace and Bashan from counts against Peace USA and Blue Eagle. In early April 2016,

the EPA and Peace USA and Blue Eagle began settlement discussions as to the outstanding allegations against them.

Governing Law

10. This proceeding arises under Part A of Title II of the CAA, CAA §§ 202-219, 42 U.S.C. §§ 7521–7554, and the regulations promulgated thereunder. These laws aim to reduce emissions from mobile sources of air pollution, including hydrocarbons, oxides of nitrogen, and carbon monoxide. The Alleged Violations of Law, stated below, regard motor vehicles, specifically highway motorcycles and recreational vehicles. What follows is a summary of the law that governs these allegations.

- (a) The Alleged Violations of Law regard motor vehicles, specifically highway motorcycles, for which 40 C.F.R. Part 86 sets emission standards and 42 U.S.C. § 7522 sets compliance provisions. The certification requirements described below became applicable to highway motorcycles beginning with the 1978 model year. 40 C.F.R. §§ 86.401-97, 86.407-78(a).
- (b) The Alleged Violations of Law also regard recreational vehicles, for which 40 C.F.R. Part 1051 sets emission standards and 40 C.F.R. Part 1068 sets compliance provisions. *See* CAA § 213, 42 U.S.C. § 7547 (delegating to the EPA the authority to implement rules for nonroad vehicles akin to the detailed provisions for motor vehicles found in the CAA itself).

11. Definitions:

- (a) “Adjustable parameter” means any device, system, or element of design that someone can adjust (including those which are difficult to access) and that, if

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- adjusted, may affect emissions or engine performance during emission testing or normal in-use operation. 40 C.F.R. § 1051.801.
- (b) “Commerce” means commerce between any place in any State and place outside thereof. CAA § 216(6), 42 U.S.C. § 7550(6).
- (c) “Engine family” means a group of engines of a single model year that are expected to have similar emission characteristics throughout their useful life. 40 C.F.R. §§ 86.420-78, 1051.230.
- (d) “Manufacturer” means any person engaged in the manufacturing or assembling of new motor vehicles, new motor vehicle engines, new nonroad vehicles or new nonroad engines, or importing such vehicles or engines for resale, or who acts for and is under the control of any such person in connection with the distribution of new motor vehicles, new motor engines, new nonroad vehicles or new nonroad engines, but shall not include any dealer with respect to new motor vehicles, new motor vehicle engines, new nonroad vehicles or new nonroad engines received by him in commerce. CAA § 216(1), 42 U.S.C. § 7550(1); 40 C.F.R. § 1051.801.
- (e) “Model year” means a manufacturer’s annual production period (as determined by the Administrator) which includes January 1st of such calendar year. If the manufacturer has no annual production period, the term model year shall mean the calendar year. 40 C.F.R. §§ 86.402-78, 1051.801.
- (f) “Motor vehicle” has the meaning provided in section 216(2) of the CAA, 42 U.S.C. § 7550(2), and 40 C.F.R. § 85.1703.

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- (g) "Motorcycle" means any motor vehicle with a headlight, taillight, and stoplight and having: Two wheels, or Three wheels and a curb mass less than or equal to 793 kilograms (1749 pounds). 40 C.F.R. § 86.402-98.
- (h) Highway motorcycles and recreational vehicles are considered "new" at the time of import. CAA § 216(3), 42 U.S.C. § 7550(3); 40 C.F.R. § 1051.801.
- (i) "Other adjustments" includes changes to a recreational vehicle's air-fuel ratio that can be made by an experienced mechanic in less than one hour and with a few parts whose total cost is under \$50 (in 2001 dollars). 40 C.F.R. § 1051.115(d).
- (j) "Person" includes individuals, corporations, partnerships, associations, states, municipalities, and political subdivisions of a state. CAA § 302(e), 42 U.S.C. § 7602(e).
- (k) "Recreational" vehicle has the meaning provided in 40 C.F.R. § 1051.801.

12. Certification Requirements:

- (a) The EPA's certification program is designed to ensure that every vehicle sold or imported into the United States conforms in all material respects to a vehicle that has been approved by the EPA. The EPA approves vehicles by issuing certificates of conformity (COC).
- (b) To obtain a COC, a manufacturer (or affiliate) must submit a COC application to the EPA for each engine family and each model year that it intends to manufacture and sell in the United States. 40 C.F.R. §§ 86.416-80, 1051.201(a).

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- (c) The COC application must include, among other things, identification of the covered engine family, a description of the vehicles and their emission control system, and test results from a prototype emissions data vehicle (EDV) showing that the EDV satisfies the emission standards in 40 C.F.R. § 86.410-2006 for highway motorcycles or 40 C.F.R. § 1051.107 for all-terrain vehicles (a subset of recreational vehicles). 40 C.F.R. §§ 86.416-80, 1051.205.
- (d) In the case of highway motorcycles, the COC application must also include a description of all fuel system components and the range of available fuel and ignition system adjustments on the vehicle. 40 C.F.R. § 86.416-80. This description must specify all adjustable parameters, and the EPA has determined that adjustment of the following parameters may affect emissions: idle mixture screw (a low-speed, fuel-system adjustment of the air-to-fuel ratio) and a jet needle with multiple grooves for adjustment (a mid-range, fuel-system adjustment of the air-to-fuel ratio). In reviewing a COC application, the EPA evaluates the adjustability of the parameters based on information provided in the COC application. Upon inspection, if and when that occurs, to determine the adequacy of stops, seals, or locks, the EPA will consider whether the average operator or mechanic could deactivate the stops, seals, or locks in a reasonable amount of time using common hand tools. EPA Advisory Circular MC-6 (1978), *available at* http://iaspub.epa.gov/otaqpub/display_file.jsp?docid=14384&flag=1 (last visited June 16, 2014).

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- (e) In the case of recreational vehicles, the COC application must describe all adjustable parameters and other adjustments on vehicles in the engine family. 40 C.F.R. § 1051.205(q). Where a recreational vehicle has adjustable parameters or other adjustments, the applicant must demonstrate that the vehicle meets emission standards throughout the adjustable range. 40 C.F.R. § 1051.115(c), (d).
- (f) Once issued, a COC covers only those vehicles that are within the engine family specified in the application, marked with a model name specified in the application, produced during the model year, and imported subsequent to the effective date of the COC. 40 C.F.R. §§ 86.407-78(a), 86.437-78(a)(2), 86.437-78(a)(2)(ii), (iii), 86.437-78(b)(3), (4), 1051.201(a), 1051.205, 1068.101(a)(1)(i), (b)(5), 1068.103(a), (c)(2).
- (g) The EPA issues COCs on such terms as the EPA deems necessary to ensure that any new motorcycle covered by the COC will meet the requirements of the CAA and its regulation. 40 C.F.R. § 86.437-78(a)(2)(ii), (b)(3).
- (h) By the terms on the face of each COC, a COC covers only those highway motorcycles that conform in all material respects to the EDV tested for that COC and all other specifications in the COC application. *See also* 40 C.F.R. § 86.437-78(a)(2)(iii), (b)(4).
- (i) A COC covers only those recreational vehicles that conform in all material respects to the specifications in the COC application. 40 C.F.R. § 1068.103.
- (j) Crankcase emissions from recreational vehicles may not be discharged directly into the ambient atmosphere. 40 C.F.R. § 1051.115(a).

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- (k) The CAA prohibits manufacturers of new motor vehicles from selling, offering for sale, introducing into commerce, delivering for introduction into commerce, or importing (and no person may cause any of the foregoing with respect to) any new motor vehicle unless that vehicle is covered by an EPA-issued COC. CAA § 203(a)(1), 42 U.S.C. § 7522(a)(1).
- (l) A manufacturer may not sell, offer for sale, introduce into commerce, deliver for introduction into commerce, or import (and no person may cause any of the foregoing with respect to) a recreational vehicle unless the recreational vehicle is covered by an EPA-issued COC. 40 C.F.R. § 1068.101(a)(1).
13. Warranty Requirements: Vehicle manufacturers and COC holders must honor their emission-related warranty under 40 C.F.R. §§ 1051.120 and 1068.115. 40 C.F.R. § 1068.101(b)(6). In the case of recreational vehicles, this includes stating in each vehicle's owners' manual the emission-related warranty.
14. Recordkeeping Requirements:
- (a) Anyone subject to any CAA requirement for vehicles must provide information to the EPA that the EPA may reasonably require in order to determine whether the manufacturer or other person has acted or is acting in compliance with the CAA and its regulations. 42 U.S.C. § 7542(a).
- (b) Highway motorcycle COC holders must establish, maintain, and retain certain adequately organized and indexed records. 40 C.F.R. § 86.440-78. These records include completed COC applications, identification and description of EDVs, a complete record of all emission tests performed on EDVs including test results, the date of each service accumulation run, a record and description

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of all maintenance and other servicing performed on the EDV, a record and description of each test performed to diagnose engine or emissions control system performance, and a brief description of any significant events affecting the vehicle during testing. 40 C.F.R. § 86.440-78.

(c) Recreational vehicle COC holders must keep certain records including: (1) certification applications and accompanying summary information; (2) records specified in 40 C.F.R. § 1051.250 but not included in the COC application; (3) a detailed history of each EDV; (4) production figures for each engine family divided by assembly plant; and (5) vehicle identification numbers for all the vehicles produced under each certificate. 40 C.F.R. § 1051.250(b). This data must be kept for eight years, except for routine emission tests which must be kept for one year. 40 C.F.R. § 1051.250(c).

15. Anyone who, since January 12, 2009, sold, offered for sale, introduced into commerce, delivered for introduction into commerce, or imported (or caused the foregoing with respect to) a highway motorcycle or recreational vehicle that was not covered by a COC, or violated warranty requirements is subject to a civil penalty of up to \$37,500 for each such vehicle. 42 U.S.C. § 7524(a); 40 C.F.R. §§ 19.4, 1068.101(a)(1), (b)(6), (c).
16. Anyone who, since January 12, 2009, failed to keep or maintain mandatory records or failed to provide the EPA with information reasonably required to assess their compliance with the Act is subject to a civil penalty up to \$37,500 for each such record for each day they are in violation. CAA §§ 203(a)(2)(A), 205(a), 208, 42 U.S.C. §§ 7522(a)(2)(A), 7524(a), 7542(a); 40 C.F.R. §§ 19.4, 1068.101(a)(2).

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Stipulated Facts

17. Respondent Peace USA is a Georgia corporation with a primary office located at 2885 Pacific Drive, Suite B, Tucker, GA 30084.
18. Respondent Blue Eagle is a Georgia corporation with a primary office located at 2885 Pacific Drive, Suite B, Tucker, GA 30084.
19. Respondents are persons, as that term is defined in section 302(e) of the CAA, 42 U.S.C. § 7602(e).
20. Respondents are a manufacturers as that term is defined by section 216(l) of the CAA, 42 U.S.C. § 7550(l).
21. Respondents submitted COC applications, and the EPA granted COCs, for every engine family at issue in this matter. Table A, below, identifies which company held COCs for which engine families.
22. Peace USA imported and introduced into United States commerce every vehicle addressed in this matter.
23. Blue Eagle caused the sale, offering for sale, introduction in commerce, delivery for introduction into commerce, or importation of every vehicle in this matter this is within an engine family for which Blue Eagle held a COC.

Table A: Summary of Subject Vehicles and Counts 1 - 6						
Count(s)	Purported Engine Family	Vehicle Type	COC Holder	Manufacturer	Violations	Total Vehicles
1	9PCGC.050SAA	Highway Motorcycle	Peace USA	Bashan	A, B, C	7,895
2	ABLEC.049PCE	Highway Motorcycle	Blue Eagle	Bashan	B	2,812
3, 6	9BLEX0.11PCE	Recreational Vehicle	Blue Eagle	Zhejiang Peace	B, D, W	5,908
4	ABLEX0.11PCE	Recreational Vehicle	Blue Eagle	Zhejiang Peace	B	6,122
5	APCGX.150AAA	Recreational Vehicle	Peace USA	Zhejiang Peace	A, B	222

Violations Legend	
A	Uncertified: Nonconforming Catalyst
B	Uncertified: Nonconforming Carburetor
C	Uncertified: Nonconforming Engine Displacement
D	Uncertified: Crankcase Vents Directly to Ambient Air
W	Warranty Violation

24. In a letter dated October 13, 2010, the EPA issued to Respondent Peace USA a Request for Information under section 208(a) of the CAA, 42 U.S.C. § 7524(a) (§ 208 Request). This § 208 Request required Respondent Peace USA to provide, among other things, information related to the manufacturing, testing, importation, and warranty pertaining to all vehicles for each vehicle, engine, or equipment containing an engine for which Respondent Peace USA or any affiliated organization had, since January 1, 2006: (i) sold or offered for sale, (ii) imported into the United States, or (iii) assisted or arranged for the importation into the United States.
25. In a letter dated November 11, 2010, Respondent Peace USA provided the EPA with some of the information required by the § 208 Request.

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26. In a letter dated December 17, 2010, Respondent Peace USA provided the EPA with additional information required by the § 208 Request.

Alleged Violations of Law

27. The EPA alleges two counts of highway motorcycle certification violations: that one or more of the Respondents sold, offered for sale, introduced into commerce, delivered for introduction into commerce, or imported (or caused the foregoing with respect to) approximately 10,707 highway motorcycles that were not covered by a COC in violation of section 203(a)(1) of the CAA, 42 U.S.C. SS 7522(a)(1).

- (a) COUNT 1: alleged violations by Peace USA, Zhejiang Peace, and Bashan: approximately 7,895 highway motorcycles purportedly covered by the COC for engine family 9PCGC.050SAA did not conform in all material respects to the certified configuration and, therefore, are not covered by the COC for engine family 9PCGC.050SAA (nor any other COC) for four independently sufficient reasons. *See* Complaint PP 30.a.
- (b) COUNT 2: alleged violations by Peace USA, Zhejiang Peace, Bashan, and Blue Eagle: approximately 2,812 highway motorcycles purportedly covered by the COC for engine family ABLEC.049PCE did not conform in all material respects to the certified configuration and, therefore, are not covered by the COC for engine family ABLEC.049PCE (nor any other COC) for two independently sufficient reasons. *See* Complaint paragraph 30.b.

28. The EPA alleges three counts of recreational vehicle certification violations: that one or all of Peace USA, Zhejiang Peace, Bashan, or Blue Eagle sold, offered for sale, introduced into commerce, delivered for introduction into commerce, or imported (or caused the foregoing with respect to) approximately 12,252 recreational vehicles that were not covered by a COC in violation of 40 C.F.R. § 1068.101(a)(1).

(a) COUNT 3: alleged violations by Peace USA, Zhejiang Peace, and Blue Eagle: approximately 5,908 recreational vehicles purportedly covered by the COC for engine family 9BLEX0.11PCE. These vehicles do not conform in all material respects to the certified configuration and, therefore, are not covered by the COC for engine family 9BLEX0.11PCE (nor any other COC) for two independently sufficient reasons. *See* Complaint paragraph 31a.

(b) COUNT 4: alleged violations by Peace USA, Zhejiang Peace, and Blue Eagle: approximately 6,122 recreational vehicles purportedly covered by the COC for engine family ABLEX0.11PCE. These vehicles do not conform in all material respects to the certified configuration and, therefore, are not covered by the COC for engine family ABLEX0.11PCE (nor any other COC). *See* Complaint paragraph 31b.

(c) COUNT 5: alleged violations by Peace USA, and Zhejiang Peace: approximately 222 recreational vehicles purportedly covered by the COC for engine family APCGX.150AAA. These vehicles do not conform in all material respects to the certified configuration and, therefore, are not covered by the COC for engine family APCGX.150AAA (nor any other COC) for two independently sufficient reasons. *See* Complaint paragraph 31c.

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29. The EPA alleges one count of recreational vehicle warranty violations: that one or more of Peace USA, Zhejiang Peace, and Blue Eagle failed to meet their warranty obligations with regard to approximately 5,908 recreational vehicles from engine family 9BLEX0.11PCE in violation of 40 C.F.R. § 1068.101(b)(6). Specifically, one or more Respondents sold, offered for sale, introduced into commerce, delivered for introduction into commerce, or imported (or caused the foregoing with respect to) approximately 5,908 recreational vehicles whose owner's manual failed to state the emissions-related warranty required by 40 C.F.R. § 1051.120(e).
30. The EPA alleges two counts of recordkeeping violations: that Peace USA failed to adequately keep and maintain mandatory records in violation of section 203(a)(2)(A) of the CAA, 42 U.S.C. § 7522(a)(2)(A), and 40 C.F.R. § 1068.101(a)(2).
- (a) COUNT 7: Highway Motorcycle Recordkeeping Violations: Peace USA failed to keep the records required by 40 C.F.R. § 86.440-78(a)(2)(A)–(B) for engine families 9PCGC.050SAA, 9PCGC.150SA, and APCGC.150SA1.
- (b) COUNT 8: Recreational Vehicle Recordkeeping Violations: Peace USA failed to keep the records required by 40 C.F.R. § 1051.250(b)(2)–(3) for engine families 9PCGX.150AAA, 9PCGX.250AMA, APCGX.150AAA, and APCGX.250AMA.

Terms of Agreement

31. For the purpose of this proceeding, as required by 40 C.F.R. § 22.18(b)(2), Respondents: admit that the EPA has jurisdiction over this matter as stated above; admit to the stipulated facts stated above; neither admit nor deny the alleged violations of law stated

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above; consent to the assessment of a civil penalty as stated below; consent to any conditions specified in this Consent Agreement, and to any stated Permit Action; waive any right to contest the alleged violations of law; and waive their rights to appeal the Final Order accompanying this Consent Agreement.

32. For the purpose of this proceeding, Respondents:

- (a) agree that this Agreement states a claim upon which relief may be granted against Respondents;
- (b) waive any and all remedies, claims for relief and otherwise available rights to judicial or administrative review that Respondents may have with respect to any issue of fact or law set forth in this Order, including any right of judicial review under Section 307(b)(1) of the Clean Air Act, 42 U.S.C. § 7607(b)(1);
- (c) waive any rights they may possess at law or in equity to challenge the authority of the EPA to bring a civil action in a United States District Court to enforce this Agreement or Order, or both, and to seek an additional penalty for such noncompliance, and agree that federal law shall govern in any such civil action;
- (d) consent to personal jurisdiction in any action to enforce this Agreement or Order, or both, in the United States District Court for the District of Columbia;
- (e) agree that Respondents may not delegate duties under this Consent Agreement to any other party without the written consent of the EPA, which may be granted or withheld at EPA's unfettered discretion. If the EPA so consents, the Consent Agreement is binding on the party or parties to whom the duties are delegated;

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- (f) acknowledge that this Agreement constitutes an enforcement action for purposes of considering Respondents' compliance history in any subsequent enforcement actions;
- (g) acknowledge that this Consent Agreement and attached Final Order will be available to the public and agree that it does not contain any confidential business information or personally identifiable information;
- (h) acknowledge that its tax identification number may be used for collecting or reporting any delinquent monetary obligation arising from this Agreement (*see* 31 U.S.C. § 7701);
- (i) certifies that the information they have supplied concerning this matter was at the time of submission true, accurate, and complete; and
- (j) acknowledge that there are significant penalties for knowingly submitting false, fictitious, or fraudulent information, including the possibility of fines and imprisonment (*see* 18 U.S.C. § 1001).

33. For purposes of this proceeding, the parties each agree that:

- (a) this Consent Agreement constitutes the entire agreement and understanding of the parties and supersedes any prior agreements or understandings, whether written or oral, among the parties with respect to the subject matter hereof;
- (b) this Consent Agreement may be signed in any number of counterparts, each of which will be deemed an original and, when taken together, constitute one agreement; the counterparts are binding on each of the parties individually as fully and completely as if the parties had signed one single instrument, so that the rights and liabilities of the parties will be unaffected by the failure of any of the

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undersigned to execute any or all of the counterparts; any signature page and any copy of a signed signature page may be detached from any counterpart and attached to any other counterpart of this Consent Agreement.

- (c) its undersigned representative is fully authorized by the Party whom he or she represents to bind that Party to this Consent Agreement and to execute it on behalf of that Party;
 - (d) each party's obligations under this Consent Agreement and attached Final Order constitute sufficient consideration for the other party's obligations under this Consent Agreement and attached Final Order; and
 - (e) each party will bear their own costs and attorney fees in the action resolved by this Consent Agreement and attached Final Order.
34. Respondents agree to pay to the United States a civil penalty of \$120,000 (the Civil Penalty).
35. Respondent agrees to pay the Civil Penalty in the manner specified below:
- (a) Pay the Civil Penalty using any method provided on the following website:
<http://www2.epa.gov/financial/additional-instructions-making-payments-epa>;
 - (b) Identify each and every payment with "Docket No. CAA-HQ-2014-8119"; and
 - (c) Within 24 hours of payment, email proof of payment to Brianna Iddings at iddings.brianna@epa.gov ("proof of payment" means, as applicable, a copy of the check, confirmation of credit card or debit card payment, confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate that payment has been made according to EPA requirements, in the amount due, and identified with "Docket No. CAA-HQ-2014-8119").

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36. Failure to pay the full amount of the penalty assessed under this Consent Agreement may subject Respondents to a civil action to collect any unpaid portion of the proposed civil penalty and interest. In order to avoid the assessment of interest, administrative costs, and late payment penalty in connection with such civil penalty, as described in the following paragraph of this Consent Agreement, Respondents must timely pay the civil penalty.
37. The EPA is required to assess interest and penalties on debts owed to the United States and a charge to cover the costs of processing and handling the delinquent claim. Respondents agree to pay these amounts under this Consent Agreement and attached Final Order. Interest, at the statutory judgment rate provided for in 31 U.S.C. § 3717, will therefore begin to accrue on the civil penalty agreed to herein on the date a copy of this Consent Agreement and attached Final Order is mailed to Respondents. However, the EPA will not seek to recover interest on any portion of the civil penalty that is timely paid. Pursuant to 31 U.S.C. § 3717, Respondents must pay the following amounts on any amount overdue:
- (a) Interest: Any unpaid portion of a civil penalty must bear interest at the rate established by the Secretary of the Treasury pursuant to 31 U.S.C. § 3717(a)(1). Interest will be assessed at the rate of the United States Treasury tax and loan account rate in accordance with 40 C.F.R. 13.11(a).
 - (b) Late Payment Penalty: On any portion of a civil penalty more than 90 calendar days delinquent, Respondents must pay a late payment penalty of six percent per annum, which will accrue from the date the penalty payment became delinquent. This late payment penalty is in addition to charges which accrue or may accrue under subparagraph (a).

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Effect of Consent Agreement and Attached Final Order

38. In accordance with 40 C.F.R. § 22.18(c), completion of the terms of this Consent Agreement and attached Final Order resolves only Respondents' liability for federal civil penalties for the violations and facts specifically alleged above. This CAFO resolves nothing concerning the counts against Zhejiang Peace and Bashan.
39. If Respondents fail to timely pay any portion of the penalty assessed by the attached Final Order, the EPA may:
- (a) request the Attorney General to bring a civil action in an appropriate district court to recover: the amount assessed; interest at rates established pursuant to 26 U.S.C. § 6621(a)(2); the United States' enforcement expenses; and a 10 percent quarterly nonpayment penalty, 42 U.S.C. § 7524(c)(6);
 - (b) refer the debt to a credit reporting agency or a collection agency, 40 C.F.R. §§ 13.13, 13.14, and 13.33;
 - (c) collect the debt by administrative offset (i.e., the withholding of money payable by the United States to, or held by the United States for, a person to satisfy the debt the person owes the Government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds (see 40 C.F.R. Part 13, Subparts C and H); and
 - (d) suspend or revoke Respondents' licenses or other privileges, or (ii) suspend or disqualify Respondents from doing business with the EPA or engaging in programs the EPA sponsors or funds, 40 C.F.R. § 13.17.


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40. Penalties paid pursuant to this Consent Agreement are not deductible for federal tax purposes. 28 U.S.C. § 162(f).
41. This Consent Agreement and attached Final Order apply to and are binding upon the Complainant and the Respondents. Successors and assigns of Respondents are also bound if they are owned, in whole or in part, directly or indirectly, or otherwise controlled by Respondents. Nothing in the previous sentence adversely affects any right of the EPA under applicable law to assert successor or assignee liability against Respondents' successor or assignee.
42. Nothing in this Consent Agreement shall relieve Respondents of the duty to comply with all applicable provisions of the CAA or other federal, state, or local laws or statutes, nor shall it restrict the EPA's authority to seek compliance with any applicable laws or regulations, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit.
43. The EPA reserves the right to revoke this Consent Agreement and accompanying settlement penalty if and to the extent the EPA finds, after signing this Consent Agreement, that any information provided by Respondents was or is materially false or inaccurate, and the EPA reserves the right to pursue, assess, and enforce legal and equitable remedies for the Alleged Violations of Law. The EPA shall give Respondents written notice of such termination, which will be effective upon mailing.
44. The Parties agree to submit this Consent Agreement to the Environmental Appeals Board with a request that it be incorporated into a Final Order.
45. Respondents and Complainant agree to issuance of the attached Final Order. Upon filing, the EPA will transmit a copy of the filed Consent Agreement to the Respondents. This

Consent Agreement and attached Final Order shall become effective after execution of the Final Order by the Environmental Appeals Board and filing with the Hearing Clerk.

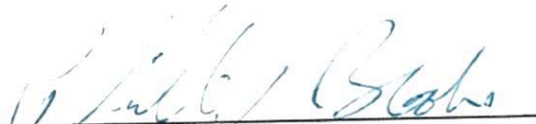
The foregoing Consent Agreement In the Matter of Peace Industry Group (USA), Inc., and Blue Eagle Motor Inc., Docket No. CAA-HQ-2014-8119, is Hereby Stipulated, Agreed, and Approved for Entry.

For Peace Industry Group (USA), Inc., and Blue Eagle Motor Inc.:

Signature  Date 9/28/2016
Printed Name: Qiuping Wang
Title: President
Address: 2885 Pacific Dr. Suite B Norcross GA 30097
Respondent's Federal Tax Identification Number: 20-8737078

The foregoing Consent Agreement In the Matter of Peace Industry Group (USA), Inc., and Blue Eagle Motor, Inc., Docket No. CAA-HQ-2014-8119, is Hereby Stipulated, Agreed, and Approved for Entry.

For Complainant:



Phillip A. Brooks, Director
Air Enforcement Division
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency
1200 Pennsylvania Ave., N.W.
Washington, DC 20460-0001

10/13/16

Date



Brianna Iddings, Attorney Adviser
Air Enforcement Division
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency
1200 Pennsylvania Ave., N.W.
Washington, DC 20460-0001

10/11/2016

Date

**BEFORE THE ENVIRONMENTAL APPEALS BOARD
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C.**

In the Matter of:

Peace Industry Group (USA), Inc., and Blue
Eagle Motor Inc.

Respondents.

Docket No.
CAA-HQ-2014-8119

FINAL ORDER

Pursuant to 40 C.F.R. § 22.18(b) of the EPA's Consolidated Rules of Practice and section 205(c)(1) of the Clean Air Act, 42 U.S.C. § 7524(c)(1), the attached Consent Agreement resolving this matter is incorporated by reference into this Final Order and is hereby ratified.

The Respondents are ORDERED to comply with all terms of the Consent Agreement, effective immediately.

So ordered.

Date:

Judge, Environmental Appeals Board

CERTIFICATE OF SERVICE

I certify that the foregoing "Consent Agreement" and "Final Order," In the Matter of Peace Industry Group (USA), Inc., and Blue Eagle Motor Inc., Docket No. CAA-HQ-2014-8119, were filed and copies of the same were mailed to the parties as indicated below.

Via Interoffice Mail:

Brianna Iddings, US EPA, Air Enforcement Division
1200 Pennsylvania Avenue, N.W.
Mail Code 2242A
William Jefferson Clinton Federal Building Room 1142B
Washington, D.C. 20460

Via U.S.P.S. Certified Mail:

G. Michael Smith
Attorney for Peace Industry
Group (USA), Inc.
and Blue Eagle Motor, Inc.
Smith, Collins & Fletcher, P.A.
8565 Dunwoody Place, Bldg. #15
Atlanta, Georgia 30350

Dated: _____

Annette Duncan, Secretary
U.S. Environmental Protection Agency
Environmental Appeals Board