

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

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In re Lone Star Auto Parts, Inc.	)
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Docket No. CAA-2025-8460

## FINAL ORDER

Pursuant to 40 C.F.R. § 22.18(b)-(c) of EPA's Consolidated Rules of Practice, the attached Consent Agreement resolving this matter is incorporated by reference into this Final Order and is hereby ratified.

The Respondent is ORDERED to comply with all terms of the Consent Agreement, effective immediately.

So ordered.<sup>1</sup>

## ENVIRONMENTAL APPEALS BOARD

Dated: January 21, 2025

Werd 2. Blake Wendy L. Blake

Wendy L. Blake Environmental Appeals Judge

<sup>&</sup>lt;sup>1</sup> The three-member panel ratifying this matter is composed of Environmental Appeals Judges Aaron P. Avila, Wendy L. Blake, and Mary Kay Lynch.

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

In the Matter of:

LONE STAR AUTO PARTS, INC.

Docket No. CAA-2025-8460

Respondent.

## **CONSENT AGREEMENT AND FINAL ORDER**

## **Preliminary Statement**

- 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 ("CAFO") simultaneously commences and concludes this proceeding. 40 C.F.R. § 22.13(b).
- 2. Complainant in this matter is the United States Environmental Protection Agency ("EPA" or "Complainant"). 40 C.F.R. § 22.3(a). On the EPA's behalf, Mary E. Greene, 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.
- 3. Respondent in this matter is Lone Star Auto Parts, Inc. ("Lone Star" or "Respondent"). Respondent is a Domestic For-Profit Corporation organized under the laws of the State of Texas with an office at 20444 Westfield Commerce Drive, Katy, Texas 77449. Among other things, the Respondent manufactures and sells automotive parts.
- The EPA and Respondent (referred to collectively as "Parties" and individually as "Party"), having agreed to settle this action, consent to the entry of this CAFO.

5. The Parties agree to settle this case without taking testimony and without adjudication of any issues of law or fact herein and agree to comply with the terms of this CAFO.

#### Jurisdiction

- 6. This Consent Agreement is entered into under Sections 205(c)(1), 42 U.S.C. § 7524(c)(1) and the "Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits," 40 C.F.R. Part 22 ("Consolidated Rules").
- The EPA may administratively assess a civil penalty if the penalty sought is less than \$460,926.
   CAA § 205(c)(1); 40 C.F.R. § 19.4.
- 8. The Consolidated Rules provide that where the Parties agree to settlement of one or more causes of action before the filing of a complaint, a proceeding may be simultaneously commenced and concluded by the issuance of a CAFO. 40 C.F.R. §§ 22.13(b), 22.18(b).
- 9. The Environmental Appeals Board is authorized to issue consent orders memorializing settlements between the EPA and Respondent 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), 22.18(b)(3).

## **Governing Law**

- 10. This proceeding arises under Part A of Title II of the CAA, CAA §§ 202-219, 42 U.S.C. §§ 7521–54, and the regulations promulgated thereunder. These laws aim to reduce emissions from mobile sources of air pollution, generally including non-methane hydrocarbons ("NMHC"), particulate matter ("PM"), oxides of nitrogen ("NO<sub>x</sub>"), and carbon monoxide ("CO"). The Alleged Violations of Law, stated below, concern motor vehicles and motor vehicle engines, specifically diesel engine trucks, and the manufacture and sale of products commonly referred to as "Defeat Devices" in violation of section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B).
- 11."Motor vehicle" is defined in section 216(2) of the CAA, 42 U.S.C. § 7550(2), as "any self-<br/>Consent Agreement and Final Order, CAA-2025-8460Page 2 of 19

propelled vehicle designed for transporting persons or property on a street or highway." *See also* 40 C.F.R. § 85.1703 (further defining "motor vehicle").

- Section 203(a)(1) of the CAA, 42 U.S.C. § 7522(a)(1), prohibits a vehicle manufacturer from selling a new motor vehicle in the United States unless the vehicle is covered by a certificate of conformity ("COC").
- 13. The EPA issues COCs to vehicle manufacturers (also known as "original equipment manufacturers" or "OEMs") under section 206(a) of the CAA, 42 U.S.C. § 7525(a), to certify that a particular group of motor vehicles conforms to applicable EPA requirements governing motor vehicle emissions.
- Under section 202 of the CAA, 42 U.S.C. § 7521, the EPA promulgated emission standards for NMHC, PM, NO<sub>x</sub>, and CO. *See generally* 40 C.F.R. Part 86.
- 15. To obtain a COC for a given motor vehicle test group or engine family, the OEM must demonstrate that each motor vehicle or motor vehicle engine will not exceed established emission standards for NMHC, PM, NO<sub>x</sub>, CO, and other pollutants. 40 C.F.R. §§ 86.004-21, 86.1811-04, 86-1844.01.
- 16. The COC application must describe, among other things, the emissions-related elements of design of the motor vehicle or motor vehicle engine. This includes all auxiliary emission control devices ("AECDs"), which are defined as "any element of design which sense temperature, vehicle speed, engine RPM, transmission gear, manifold vacuum, or any other parameter for the purposes of activating, modulating, delaying, or deactivating the operation of any part of the emission control system" of the motor vehicle. 40 C.F.R. §§ 86.094-21, 86.1844-01.
- 17. "Element of Design" means "any control system (*i.e.*, computer software, electronic control system, computer logic), and/or control system calibrations, and/or the results of systems interaction, and/or hardware items on a motor vehicle or motor vehicle engine." 40 C.F.R.
  § 86.094-2. For example, OEMs employ various ignition timing and fueling strategies to control

emissions (*e.g.*, retarded fuel injection timing) as a primary emission control system for NO<sub>x</sub>. OEMs also employ certain hardware devices as emission control systems to manage and treat exhaust to reduce levels of regulated pollutants from being created or emitted into the ambient air. Such devices include exhaust gas recirculation ("EGR") systems, diesel oxidation catalysts ("DOCs"), diesel particulate filters ("DPFs"), and selective catalytic reduction ("SCR") systems.

- 18. "On-Board Diagnostic System" or "OBD," is a monitoring system, including components and sensors, designed to detect, record, and report malfunctions of all monitored emission-related powertrain systems or components. 40 C.F.R. § 86.1806-05(b).
- 19. Under section 202(m) of the CAA, 42 U.S.C. § 7521(m), the EPA promulgated regulations requiring manufacturers of heavy-duty truck diesel engines to install OBD systems on vehicles beginning with the 2007 model year. *See* 40 C.F.R. §§ 86.005-17 (2007), 86.007-17 (2009), 86.010-18 (2013), 86.1806-05 (2023). The regulations require the OBD system to monitor emission control components for any malfunction or deterioration causing exceedance of certain emission thresholds. When the OBD system detects a problem, a malfunction indicator light on the dashboard of the vehicle alerts the driver that a certain repair or repairs are needed. 40 C.F.R. §§ 86.1806-17, 86.1806-27. Thus, OBD is a critical element of design of the motor vehicle.
- 20. Under the CAA, the term "Person" includes individuals, corporations, partnerships, associations, states, municipalities, and political subdivisions of a states. 42 U.S.C. § 7602(e).
- 21. Section 203(a)(3)(B) of CAA, 42 U.S.C. § 7522(a)(3)(B) prohibits any person:

[T]o manufacture or sell, or offer to sell, or install, any part or component intended for use with, or as part of, any motor vehicle or motor vehicle engine, where a principal effect of the part or component is to bypass, defeat, or render inoperative any device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with regulations under this subchapter, and where the person knows or should know that such part or component is being offered for sale or installed for such use or put to such use ....

22. It is also a violation for any person to cause any of the prohibited acts set forth in section 203(a) of the CAA, 42 U.S.C § 7522(a).

- Persons violating section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B), are subject to a civil penalty of up to \$5,761 for each violation that occurred on or after November 2, 2015, where penalties are assessed on or after December 27, 2023. CAA § 205(a), 42 U.S.C. § 7524(a); 40 C.F.R. § 19.4; Civil Monetary Penalty Inflation Adjustment Rule, 88 Fed. Reg. 89309 (Dec. 27, 2023).
- 24. Any violation of section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B), shall constitute a separate offense with respect to each part or component. CAA § 205(a), 42 U.S.C. § 7524(a).

#### Definitions

- 25. Definitions, as the terms are used in this CAFO:
  - (a) "Defeat Device" means a part or component, including Crankcase Ventilation Delete Hardware, EGR delete hardware, Exhaust Aftertreatment Delete Pipes, and, intended for use with, or as part of, any motor vehicle or motor vehicle engine, where a principal effect of the part or component is to bypass, defeat, or render inoperative a motor vehicle or motor vehicle engine emission control device or element of design required by regulation under Title II of the CAA. *See* CAA § 203(a)(3)(B), 42 U.S.C. § 7522(a)(3)(B).
  - (b) "Electronic Control Module" or "ECM" is a computer and primary emission control component installed in a motor vehicle that determines how the motor vehicle functions. An ECM receives input signals from multiple sensors in the motor vehicle. Based upon the input signals, and according to the map(s)/tune(s) installed on the ECM, an ECM sends output signals that direct vehicle functions including ignition timing and fueling strategy. The ECM continuously monitors engine and other operating parameters and controls the emission control elements of design such as fueling strategy and emission control device operation.
  - (c) "Crankcase Emission Control System" is an element of design in motor vehicles that
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reduces NO<sub>x</sub> emissions, which are formed at high temperatures during fuel combustion. By rerouting crankcase gases back into the air intake, the Crankcase Emission Control System reduces engine temperature and thereby NO<sub>x</sub> emissions. The Crankcase Emission Control System (including the crankcase, Positive Crankcase Ventilation valve and intake manifold) consists of all hardware, parts, sensors, subassemblies, software, AECDs, ECM software (calibrations), and other components that collectively constitute the system for implementing the strategy for adjusting the volume of crankcase gases to the intake cylinders. The Crankcase Emission Control System is a "device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with [CAA] regulations" within the meaning of section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B).

- (d) "Exhaust Gas Recirculation" or "EGR" is an element of design in motor vehicles that reduces NO<sub>x</sub> emissions, which are formed at high temperatures during fuel combustion. By recirculating exhaust gas through the engine, EGR reduces engine temperature and thereby NO<sub>x</sub> emissions. The EGR (including the EGR valve, EGR cooler, and associated throttle valve) consists of all hardware, parts, sensors, subassemblies, software, AECDs, ECM software (calibrations), and other components that collectively constitute the system for implementing the strategy for adjusting the volume of exhaust gas in the engine cylinders. The EGR is a "device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with [CAA] regulations" within the meaning of section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B).
- (e) "Diesel Particulate Filter" or "DPF" is a filter that captures soot from engine exhaust, thereby decreasing PM emission. By design, soot that collects in the DPF is periodically burned off by elevated exhaust temperatures in a process referred to as active or passive regeneration. The DPF includes all hardware, parts, sensors, subassemblies, AECDs,

ECM software (calibrations), and other components that collectively constitute the system for implementing this emission control strategy. The DPF is a "device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with [CAA] regulations" within the meaning of section 203(a)(3)(B) of the CAA, 42 U.S.C § 7522(a)(3)(B).

- (f) "Diesel Oxidation Catalyst" or "DOC" is a precious-metal coated, flow-through honeycomb structure. As exhaust gas passes through the DOC, the coating precious metal causes a catalytic reaction that breaks down CO and NMHCs in the exhaust into their less harmful components. The DOC includes all hardware, parts, sensors, subassemblies, AECDs, ECM software (calibrations), and other components that collectively constitute the system for implementing the emissions control strategy. The DOC is a "device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with [CAA] regulations" within the meaning of section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B).
- (g) "Selective Catalytic Reduction" or "SCR" system reduces NO<sub>x</sub> emissions by chemically converting NOx in exhaust gas into nitrogen and water through the injection of diesel exhaust fluid, typically composed of urea. The SCR includes all hardware, parts, sensors, subassemblies, AECDs, ECM software (calibrations) and other components, that collectively constitute the system for implementing this emissions control strategy. The SCR is a "device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with [CAA] regulations" within the meaning of section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B).
- (h) "Crankcase Ventilation Delete Hardware" means aftermarket hardware designed to replace the stock crankcase emission control equipment by rerouting crankcase gases to the atmosphere instead of back to the air intake.

- (i) "EGR Defeat Device" means aftermarket hardware parts or components that physically remove, disable, or bypass one or more components of the EGR system installed on or in a motor vehicle or motor vehicle engine.
- (j) "Exhaust Aftertreatment Delete Pipe" means a component that is designed to physically remove, disable, or bypass an aftertreatment emission control device or element of design, such as a DPF, DOC, or SCR, from the exhaust system installed on or in a motor vehicle or motor vehicle engine in compliance with regulations promulgated under Title II of the CAA.

### **Findings of Fact**

- 26. Respondent is a person as the term is defined in section 302(e) of the CAA, 42 U.S.C. § 7602(e).
- 27. On September 29, 2023, the EPA issued a Notice of Violation to Respondent alleging that Respondent offered for sale, or caused the offer for sale, multiple products that have a principal effect of bypassing, defeating, or rendering inoperative emission control devices or elements of design certified to control emissions on motor vehicles or motor vehicle engines.
- 28. Additionally, the EPA sent an information request (hereinafter the "Information Request") on September 29, 2023, pursuant to section 208(a) of the CAA, 42 U.S.C. § 7542(a), to Respondent regarding hardware Respondent sold since January 1, 2021.
- 29. On November 29, 2023, Respondent submitted a response to EPA's Information Request.
- 30. In its November 29, 2023, response, Respondent provided information indicating that Respondent has sold or offered for sale Crankcase Ventilation Delete Hardware, EGR defeat device kits, and Exhaust Aftertreatment Delete Pipes.
- Between January 1, 2021, and September 29, 2023, Respondent sold at least 29 Crankcase
   Ventilation Delete Hardware products, which are identified in Appendix A of this CAFO.
- 32. Between January 1, 2021, and September 29, 2023, Respondent sold at least 718 EGR defeat device kits, which are identified in Appendix A of this CAFO.

- Between January 1, 2021, and September 29, 2023, Respondent sold at least 80 Exhaust
   Aftertreatment Delete Pipes, which are identified in Appendix A of this CAFO.
- 34. The Defeat Devices identified in Paragraphs 31–33 above were designed and marketed predominantly for use with light heavy-duty motor vehicles, specifically Ford Motor Company ("Ford"), Stellantis N.V. ("Stellantis"), and General Motors Company ("GMC"), with motor vehicle engines manufactured by Ford, Cummins, Stellantis, and GMC, respectively. Ford, Cummins, and GMC obtained COCs from the EPA and certified that the motor vehicles comply with applicable federal emission standards. The elements of design these motor vehicles employ to control emissions include fuel timing maps, EGR, DOC, DPF, SCR, and OBD systems.
- 35. In an October 11, 2023, statement, Respondent, through counsel, indicated that it stopped selling violative products on or about September 29, 2023.

#### **Alleged Violations of Law**

- 36. Based on information obtained from the Respondent described in Paragraphs 26 through 35, above, the EPA alleges that between January 1, 2021, and September 29, 2023, Respondent manufactured, sold, and/or offered for sale, at least 827 Defeat Devices, including Crankcase Ventilation Delete Hardware, EGR Defeat Device kits, and Exhaust Aftertreatment Delete Pipes, which are parts and components intended for use with, or as part of, motor vehicles or motor vehicle engines, where a principal effect of the parts or components is to bypass, defeat, or render inoperative emission control devices or elements of design installed on or in a motor vehicle or motor vehicle engine. Respondent knew or should have known that such parts or components were being offered for sale or installed for such use or put to such use.
- 37. The EPA alleges that, between January 1, 2021, and September 29, 2023, Respondent committed at least 827 violations of section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B).

## **Terms of Agreement**

- 38. For the purpose of this proceeding, as required by 40 C.F.R. § 22.18(b)(2), Respondent:
  - (a) admits that the EPA has jurisdiction over this matter as stated above;
  - (b) neither admits nor denies the specific factual allegations contained in this CAFO;
  - (c) consents to the assessment of a civil penalty as stated below;
  - (d) consents to the conditions specified in this CAFO;
  - (e) waives any right to contest the allege violations of law; and
  - (f) waives its rights to appeal the CAFO.
- 39. For the purpose of this proceeding, Respondent:
  - (a) agrees that this CAFO states a claim upon which relief may be granted against Respondent;
  - (b) waives any and all remedies, claims for relief and otherwise available rights to judicial or administrative review that Respondent may have with respect to any issue of fact or law set forth in this CAFO, including any right of judicial review under section 307(b)(1) of the CAA, 42 U.S.C. § 7607(b)(1);
  - (c) waives any rights it 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 CAFO, and to seek an additional penalty for noncompliance with this CAFO, and agrees that federal law shall govern in any such civil action;
  - (d) waives any rights or defenses that Respondent has or may have for this matter to be resolved in federal court, including but not limited to any right to a jury trial, and waives any right to challenge the lawfulness of the final order accompanying the consent agreement.
  - (e) consents to personal jurisdiction in any action to enforce this CAFO in the United States
     District Court for the District of Columbia;

- (f) agrees that Respondent may not delegate duties under this CAFO 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 CAFO is binding on the Party or Parties to whom the duties are delegated;
- (g) acknowledges that this CAFO constitutes an enforcement action for purposes of considering Respondent's compliance history in any subsequent enforcement actions;
- (h) acknowledges that this CAFO will be available to the public and agrees that it does not contain any confidential business information or personally identifiable information;
- (i) acknowledges that its tax identification number may be used for collecting or reporting any delinquent monetary obligation arising from this CAFO (*see* 31 U.S.C. § 7701);
- (j) certifies that the information it has supplied concerning this matter was at the time of its submission true, accurate, and complete; and
- (k) acknowledges that there are significant penalties for knowingly submitting false,
   factitious, or fraudulent information, including the possibility of fines and imprisonment
   (see 18 U.S.C. § 1001).
- 40. For the purpose 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) the undersigned representative is fully authorized by the Party whom he or she represents to bind that Party to this Consent Agreement and execute it on behalf of that Party;
  - (c) each Party's obligations under this CAFO constitute sufficient consideration for the other party's obligations under this Consent Agreement; and
  - (d) each party will bear their own costs and attorney fees in the action resolved by this CAFO.

- 41. Respondent agrees to pay a civil penalty in the amount of \$240,000 ("Assessed Penalty") within 30 days after the date the Final Order ratifying this Agreement is filed with Clerk of the Environmental Appeals Board ("Ratifying Date"). The EPA conducted an analysis of financial information submitted by the Respondent and determined Respondent has a limited ability to pay. Consequently, in accord with applicable law, the EPA determined that the Assessed Penalty is an appropriate amount to settle this action.
- 42. Respondent shall pay the Assessed Penalty and any interest, fees, and other charges due using any method, or combination of appropriate methods, as provided at the following EPA website: <a href="https://www.epa.gov/financial/makepayment">https://www.epa.gov/financial/makepayment</a>. For additional instructions, visit the following webpage: <a href="https://www.epa.gov/financial/additional-instructions-making-payments-epa">https://www.epa.gov/financial/makepayment</a>.
- 45. When making a payment, Respondent shall:
  - (a) Identify every payment with Respondent's name and the docket number of this Agreement, "Docket No. CAA-2025-8460."
  - (b) Concurrently with any payment or within 24 hours of payment, Respondent shall send

proof of such payment to the following persons:

Clerk of the Board U.S. Environmental Protection Agency Environmental Appeals Board Via electronic mail to: <u>Clerk EAB@epa.gov</u>

Nathan Dancher, Environmental Engineer U.S. Environmental Protection Agency Office of Enforcement and Compliance Assurance Via electronic mail to: <u>dancher.nathan@epa.gov</u>

U.S. Environmental Protection Agency Cincinnati Finance Division Via electronic mail to: <u>CINWD AcctsReceivable@epa.gov</u>. "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 the payment has been made according to the EPA requirements, in the amount due, and identified with the Respondent's name and "Docket No. CAA-2025-8460."

- 46. <u>Interest, Charges, and Penalties on Late Payments</u>. Pursuant to 42 U.S.C. § 7524(c)(6), 31 U.S.C. § 3717, 31 C.F.R. § 901.9, and 40 C.F.R. § 13.11, if Respondent fails to timely pay any portion of the Assessed Penalty per this Agreement, the entire unpaid balance of the Assessed Penalty and all accrued interest shall become immediately due and owing, and the EPA is authorized to recover the following amounts.
  - (a) <u>Interest</u>. Interest begins to accrue from the Ratifying Date. If the Assessed Penalty is paid in full within 30 days, interest accrued is waived. If the Assessed Penalty is not paid in full within 30 days, interest will continue to accrue until any unpaid portion of the Assessed Penalty as well as any accrued interest, penalties, and other charges are paid in full. Per 42 U.S.C. § 7524(c)(6), interest will be assessed pursuant to 26 U.S.C. § 6621(a)(2), that is the IRS standard underpayment rate, equal to the Federal short-term rate plus 3 percentage points.
  - (b) <u>Handling Charges</u>. The United States' enforcement expenses including, but not limited to, attorneys' fees and costs of collection proceedings.
  - (c) Late Payment Penalty. A 10% quarterly non-payment penalty.
- 47. <u>Late Penalty Actions</u>. In addition to the amounts described in the prior Paragraph, if Respondent fails to timely pay any portion of the Assessed Penalty, interest, or other charges and penalties per this CAFO, the EPA may take additional actions. Such actions the EPA may take include, but are not limited to, the following:

- (a) Refer the debt to a credit reporting agency or a collection agency, per 40 C.F.R. §§ 13.13 and 13.14;
- (b) Collect the debt by administrative offset (*i.e.*, the withholding of money payable by the United States government to, or held by the United States government for, a person to satisfy the debt the person owes the United States government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, per 40 C.F.R. Part 13, Subparts C and H.
- (c) Suspend or revoke Respondent's licenses or other privileges, or suspend or disqualify Respondent from doing business with the EPA or engaging in programs the EPA sponsors or funds, 40 C.F.R. § 13.17.
- (d) Request that the Attorney General bring a civil action in the appropriate district court to recover the full remaining balance of the Assessed Penalty, in addition to interest and the amounts described above, per 42 U.S.C. § 7524(c)(6). In any such action, the validity, amount, and appropriateness of the Assessed Penalty shall not be subject to review.
- 48. <u>Allocation of Payments</u>. Pursuant to 31 C.F.R. § 901.9(f) and 40 C.F.R. § 13.11(d), a partial payment of debt will be applied first to outstanding handling charges, second to late penalty charges, third to accrued interest, and last to the principal that is the outstanding Assessed Penalty amount.
- 49. <u>Tax Treatment of Penalties</u>. Penalties, interest, and other charges paid pursuant to this CAFO shall not be deductible for purposes of federal taxes. 28 U.S.C. § 162(f).
- 50. <u>Certification of Compliance</u>. As a condition of settlement, Respondent agrees to the following: By signing this CAFO, Respondent certifies that from the date of its signature, Respondent will not manufacture, sell, offer for sale, or install any Defeat Device that defeats, bypasses, or otherwise renders inoperative any emissions-related device or element of design on a motor vehicle or motor vehicle engine subject to regulation under Title II of the CAA, as prohibited *Consent Agreement and Final Order, CAA-2025-8460*

under section 203(a)(3)(B) of the CAA, 42. U.S.C. § 7522(a)(3)(B), and Respondent will not remove or render inoperative any emissions-related device or element of design installed on or in a motor vehicle or motor vehicle engine subject to regulation under Title II of the CAA, as prohibited under section 203(a)(3)(A) of the CAA, 42 U.S.C. § 7522(a)(3)(A). This includes, but is not limited to, EGR Defeat Device kits, Crankcase Ventilation Delete Hardware, and Exhaust Aftertreatment Delete Pipes as defined in this CAFO.

51. Respondent is aware of EPA's November 23, 2020 "Tampering Policy: The EPA Enforcement Policy on Vehicle and Engine Tampering and Aftermarket Defeat Devices under the Clean Air Act."

#### Effect of Consent Agreement and Attached Final Order

- 52. In accord with 40 C.F.R. § 22.18(c), Respondent's full compliance with this CAFO shall only resolve Respondent's liability for federal civil penalties for the violations and facts alleged above.
- 53. This CAFO applies to and is binding upon the Complainant and Respondent. Successors and assigns of Respondent are also bound if they are owned, in whole or in part, directly or indirectly, or otherwise controlled by Respondent. Nothing in the previous sentence adversely affects any right of the EPA under applicable law to assert successor or assignee liability against Respondent's successors or assignees.
- 54. Nothing in this Consent Agreement shall relieve Respondent 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.
- 55. 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 *Consent Agreement and Final Order, CAA-2025-8460* Page 15 of 19

information provided by Respondent 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 Respondent written notice of such termination, which will be effective upon mailing.

56. The Parties agree to submit this Consent Agreement to the Environmental Appeals Board with a request that it be incorporated into a Final Order.

## **Effective Date**

57. Respondent 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 Respondent. 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.

# APPENDIX A

## LONE STAR AUTO PARTS, INC. VIOLATIONS OF 42 U.S.C § 7522 FOR THE PERIOD OF JANUARY 1, 2021 THROUGH SEPTEMBER 29, 2023 FOR OFFERING FOR SALE OF 827 AFTERTREATMENT DELETE HARDWARE PRODUCTS

#	Product Name	Part Number(s)	Defeat Device Category	Products Sold	Total Defeat Devices Sold Within Package
1	6.7L Cummins Diesel EGR Delete Valve Cooler Kit For 2010 -2012 Dodge Ram 2500 3500	LSOT00359	EGR Defeat Device Kit	90	90
2	EGR Delete Kit High Flow Intake For 2004 2005 Chevy Silverado 2500HD/3500 LLY 6.6L GMC Sierra 2500HD/3500 Duramax Diesel	LSOT00617	EGR Defeat Device Kit	83	83
3	EGR Delete Kit For 2003-2007 Ford Excursion F-Series F-250 F-350 F- 450 F-550 E-E-350 E-450 6.0L Powerstroke Diesel	LSOT00646	EGR Defeat Device Kit	74	74
4	EGR Valve Cooler Delete Kit For 2011-2015 GMC Chevy 6.6L V8 Duramax LML Diesel	LSOLGM007	EGR Defeat Device Kit	68	68
5	EGR Delete Kit Fits Dodge Ram 2500 3500 6.7L L6 Cummins 2010 - 2014 Diesel	LSOT00354	EGR Defeat Device Kit	56	56
6	EGR Complete Delete Kit For 2003- 2010 Ford F-250 F-350 F-450 F-550 6.0L Powerstroke Diesel	LSOT00616	EGR Defeat Device Kit	48	48
7	EGR Valve Delete Kit + Intake Elbow Diecast For 2008-2010 Ford F-250 F-350 F-450 Powerstroke Diesel 6.4L	LSOT00355	EGR Defeat Device Kit	47	47
8	EGR Valve Cooler Kit For 2008-2010 Ford F-250 F-350 F-450 F-550 Powerstroke 6.4L V8 Diesel Turbo	LSOT00645	EGR Defeat Device Kit	30	30
9	EGR Delete Exhaust Straight Pipes Fits 2013 -2017 Dodge Ram 2500 3500 4500 5500 6.7L Cummins Diesel	LSOT00584	EGR Defeat Device Kit	29	29
10	EGR Valve Cooler Delete Kit For 2014- 2017 Dodge Ram 1500 V6 3.0L EcoDiesel	LSOT00598	EGR Defeat Device Kit	28	28
11	Muffler and Cat Delete Pipe Kit w/ Camps For 2003-2007 Ford 6.0L V8 Powerstroke F-250 F-350 Super Duty	LSOT00588	Exhaust Aftertreatment Delete Pipe	27	27
12	EGR Delete Kit For 2013-2018 Dodge Ram 3500 4500 5500 6.7L Diesel Cummins Cab & Chassis	LSOT00360	EGR Defeat Device Kit	22	22

#	Product Name	Part Number(s)	Defeat Device Category	Products Sold	Total Defeat Devices Sold Within Package
13	EGR Delete Kit with Coolant For 2011 - 2019 Ford F-250 F-350 Super Duty Powerstroke Diesel 6.7L	LSOT00538	EGR Defeat Device Kit	17	17
14	EGR Delete Kit For 2011 - 2022 Ford F250 F350 6.7L Powerstroke Diesel	LSOT00644	EGR Defeat Device Kit	17	17
15	Stainless Steel Exhaust Muffler Delete Pipe Fits 2011-2015 Chevrolet Silverado GMC Sierra 2500HD 3500HD 6.6L Duramax Diesel	LSOT00586	Exhaust Aftertreatment Delete Pipe	13	13
16	<i>Off Road 4" Exhaust Pipe &amp; EGR Valve Delete Kit + Intake Elbow DIECAST For 2008-2010 Ford F Powerstroke Diesel 6.4L</i>	LSOT00355 + LSOT00585	Exhaust Aftertreatment Delete Pipe + Crankcase Ventilation Delete Hardware	13	26
17	EGR Delete Duramax Diesel High Flow Intake Inlet Pipe Kit Fits 2007- 2010 GMC Chevy 6.6L	LSOT00336	EGR Defeat Device Kit	12	12
18	4" Cat Delete Exhaust Pipe For 2008-2010 Ford 6.4L V8 Powerstroke Diesel F-250 F-350 F- 450 F-550 Super Duty	LSOT00585	Exhaust Aftertreatment Delete Pipe	12	12
19	EGR Delete Kit Upgraded High Flow Fits 2006.4-2007 Chevy GMC 6.6L Duramax Diesel	LSOLGM006	EGR Defeat Device Kit	11	11
20	Black EGR Throttle Valve Delete Kit For 2007- 2017 Dodge Ram 6.7L Cummins Diesel Turbo	LSOT00357	EGR Defeat Device Kit	11	11
21	Red EGR Throttle Valve Delete Tube Kit For 2007- 2017 Dodge Ram 6.7L Cummins Diesel	LSOT00357B	EGR Defeat Device Kit	10	10
22	EGR Delete Kit For 2007-2009 Dodge Ram 2500 3500 6.7L L6 Cummins Diesel Turbo	LSOT00643	EGR Defeat Device Kit	10	10
23	PCV Reroute And Resonator Delete Disable Kit For 2004.5-2010 Chevy GMC Duramax 6.6L Diesel LLY LBZ LMM	LSOT00650	Crankcase Ventilation Delete Hardware	10	10
24	Exhaust Muffler Pipe & EGR Valve Cooler Delete Kit For 2011-2015 Chevy Silverado GMC Sierra 6.6L Duramax LML Diesel	LSOT00586 + LSOLGM007	Exhaust Aftertreatment Delete Pipe + EGR Defeat Device Kit	8	16

#	Product Name	Part Number(s)	Defeat Device Category	Products Sold	Total Defeat Devices Sold Within Package
25	EGR Delete and Valve Kit For 2013 - 2018 Dodge Ram 6.7L Cummins Diesel	LSOT00647	EGR Defeat Device Kit	7	7
26	EGR Delete Valve Cooler Kit & Black EGR Throttle Valve Kit For 2007- 2009 Dodge Ram 2500 3500 L6 6.7L Diesel Cummins	LSOT00357 + LSOT00643	EGR Defeat Device Kit	6	12
27	EGR Delete LBZ High Flow Intake Elbow Kit + PCV Reroute & Resonator delete Kit For 2006.4 2007 Chevy GMC 6.6L Duramax	LSOLGM006 + LSOT00650	EGR Defeat Device Kit + Crankcase Ventilation Delete Hardware	6	12
28	6.6L Duramax Diesel LLY Cooler Cover Plate Kit For 2004.5-2005 Chevrolet Silverado 2500HD 3500 GMC Sierra 2500 HD	LSOT00642	EGR Defeat Device Kit	5	5
29	Muffler Pipe Delete Kit + EGR Delete Valve Cooler Kit For Dodge Ram 2500 3500 4500 5500 6.7L Cummins Diesel Truck	LSOT00359 + LSOT00584	Exhaust Aftertreatment Delete Pipe + EGR Defeat Device Kit	5	10
30	EGR Delete Valve Cooler Kit & Black EGR Throttle Valve Kit For 2010- 2012 Dodge Ram 2500 3500 6.7L Cummins Diesel	LSOT00357 + LSOT00359	EGR Defeat Device Kit	3	6
31	High Flow Intake Elbow Intake Bridge Pipe Kit + EGR Valve Cooler Delete Kit For 2011-2015 GMC Chevy Duramax 6.6L LML	LSOT001009 + LSOLGM007	EGR Defeat Device Kit	1	2
32	EGR Delete Exhaust Pipes& EGR Cooler Throttle Valve Delete Kit Fits 2013 2014 Dodge Ram 2500 3500 6.7L L6 Cummins Diesel	LSOT00354 + LSOT00584	EGR Defeat Device Kit	1	2
33	EGR Cooler Delete Kit + Muffler & Cat Delete Exhaust Pipe Kit For 2003-2007 Ford F-250 F-350 Super Duty 6.0L V8 Powerstroke Diesel	LSOT00646 + LSOT00588	EGR Defeat Device Kit + Exhaust Aftertreatment Delete Pipe	1	2
34	Muffler Pipe & EGR Delete Kit For 2013-2017 Ram 3500 4500 5500 6.7L Cummins Diesel	LSOT00584 + LSOT00360	Exhaust Aftertreatment Delete Pipe + EGR Defeat Device Kit	1	2
	Total			782	827

The foregoing Consent Agreement in the matter of Lone Star Auto Parts, Docket No. CAA-2025-8460, is Hereby Stipulated, Agreed, and Approved for Entry.

For Lone Star Auto Parts:

A Signature

20/2024 Date

Jing Lin Sales Department Manager Lone Star Auto Parts, Inc. 20444 Westfield Commerce Drive Katy, TX 77449

Respondent's Federal Tax Identification Number: 82-1776078

## For Complainant:

MARY GREENE Digitally signed by MARY GREENE Date: 2025.01.10 10:15:08 -05'00'

Mary E. Greene, 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

#### **CERTIFICATE OF SERVICE**

I certify that copies of the foregoing "Consent Agreement" and "Final Order," in the matter of Lone Star Auto Parts, Inc., Docket No. CAA-2025-8460, were sent to the following persons in the manner indicated:

### By E-mail:

Patrick Traylor, Partner Vinson & Elkins 2200 Pennsylvania Ave., NW Suite 500 West Washington, DC 20037 E-mail: ptraylor@velaw.com

Ian Altendorfer Office of Civil Enforcement Office of Enforcement and Compliance Assurance U.S. Environmental Protection Agency 1200 Pennsylvania Ave., NW Mail Code 2243A Washington, DC 20460 E-mail: altendorfer.ian@epa.gov

Jan 21, 2025

Tommis Madison

Tommie Madison Clerk of the Board