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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY **REGION 9**

Docket No. CAA-09-2020-0070

CONSENT AGREEMENT FINAL ORDER PURSUANT TO 40 C.F.R. §§ 22.13 AND 22.18

CONSENT AGREEMENT

The United States Environmental Protection Agency ("EPA"), Region 9, and Ruan Transportation Management Systems, Inc. ("Respondent") agree to settle this matter and consent to the entry of this Consent Agreement ("CAFO"), which simultaneously commences and concludes this matter in accordance with 40 C.F.R. §§ 22.13 and 22.18.

I. AUTHORITY, JURISDICTION AND PARTIES

- 1. This is a civil administrative penalty assessment proceeding brought under Section 113(d) of the Clean Air Act (the "Act"), 42 U.S.C. § 7413(d).
 - 2. Complainant is the Director of the Enforcement and Compliance Assurance Division,

In the Matter of: Ruan Transportation Management Systems, Inc. 1 Consent Agreement and Final Order

EPA, Region 9, who has been duly delegated the authority to initiate and settle civil administrative penalty proceedings under Section 113(d) of the Act.

- 3. Respondent is a for hire trucking firm that owns and/or operates heavy duty diesel-fueled vehicles registered to be driven on public highways in California, among other states.
- 4. Pursuant to section 113(d)(l) of the Act, 42 U.S.C. § 7413(d)(l), EPA and the United States Department of Justice jointly determined that this matter, which involves alleged violations that occurred more than one year before the initiation of this proceeding, is appropriate for an administrative penalty assessment.
- 5. The regulations at issue in this action have been incorporated into the federally-approved and federally-enforceable California state implementation plan ("SIP"). In accordance with the notice requirements of Section 113(a)(1) of the Act, 42 U.S.C. § 7413(a)(1), EPA issued a Finding and Notice of Violation ("NOV") to Ruan on January 16, 2020, and provided a copy of the NOV to the California Air Resources Board ("CARB"). The NOV provided notice to the Respondent and to CARB that EPA found that the Respondent committed the alleged violations described in Section III of this CAFO and provided the Respondent an opportunity to confer with EPA.

II. STATUTORY AND REGULATORY AUTHORITY

Clean Air Act

6. Pursuant to Section 107(d) of the Act, 42 U.S.C. § 7407(d), the Administrator promulgated lists of attainment status designations for each air quality control region ("AQCR") in every state. These lists identify the attainment status of each AQCR for each of the criteria pollutants. The attainment status designations for California AQCRs are listed at 40 C.F.R. § 81.305.

- 7. There are multiple AQCRs designated as nonattainment for fine particulate matter (PM2.5) and ozone in California. See 40 C.F.R. § 81.305.
- 8. Section 110(a) of the Act, 42 U.S.C. § 7410(a), requires that all states adopt SIPs that provide for the implementation, maintenance and enforcement of primary and secondary air quality standards.
- 9. A person's failure to comply with any approved regulatory provision of a SIP renders the person in violation of an applicable implementation plan and subject to enforcement under Section 113(a)(1) of the Act. 42 U.S.C. § 7413(a)(1).

Title 13, Section 2025 of California Code of Regulations: Truck and Bus Regulation

- 10. In accordance with Resolution 10-44 (December 2010), the California Air Resources Board ("CARB") adopted amendments to the "Regulation to Reduce Emissions of Diesel Particulate Matter, Oxides of Nitrogen and Other Criteria Pollutants From In-Use Heavy-Duty Diesel-Fueled Vehicles," codified at title 13, Section 2025 of the California Code of Regulations (the "Truck and Bus Regulation" or "TBR").
- 11. The EPA incorporated the TBR as submitted by the CARB into the California SIP, effective May 4, 2012. See 77 Fed. Reg. 20308 (April 4, 2012).
- 12. As stated in Section 2025(a) of the TBR, the purpose of the regulation is "to reduce emissions of diesel particulate matter (PM), oxides of nitrogen (NOx) and other criteria pollutants from in-use diesel-fueled vehicles."
- 13. Pursuant to Section 2025(b) of the TBR, the TBR "applies to any person, business, ...
 that owns or operates, leases, or rents, affected vehicles that operate in California. Affected
 vehicles are those that operate on diesel-fuel, dual-fuel, or alternative diesel-fuel that are
 registered to be driven on public highways, were originally designed to be driven on public

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highways whether or not they are registered, ... and have a gross vehicle weight rating (GVWR) greater than 14,000 pounds."

- 14. Section 2025(d)(17) of the TBR defines "Diesel Particulate Filter" ("DPF") as "an emission control technology that reduces diesel particulate matter emissions by directing the exhaust through a filter that physically captures particles but permits gases to flow through...."
- 15. Section 2025(d)(18) of the TBR defines "Diesel Particulate Matter (PM)" as "the particles found in the exhaust of diesel-fueled compression ignition engines...."
- 16. Section 2025(d)(28) of the TBR defines "Fleet" as "one or more vehicles, owned by a person, business, or government agency, traveling in California and subject to this regulation..."
- 17. Section 2025(d)(29) of the TBR defines "Fleet Owner" as either the person registered as the owner or lessee of a vehicle by the California Department of Motor Vehicles (DMV), or its equivalent in another state, province, or country; as evidenced on the vehicle registration document carried in the vehicle."
- 18. Section 2025(d)(42) of the TBR defines "Motor Carrier" as "the same as defined in California Vehicle Code Section 408 for fleets other than those that are comprised entirely of school buses"
- 19. Section 408 of the California Vehicle Codes defines "Motor Carrier" as "the registered owner, lessee, licensee, or bailee of any vehicle set forth in Section 34500, who operates or directs the operation of any such vehicle on either a for-hire or not-for-hire basis."
- 20. Section 2025(d)(47) of the TBR defines "Person" as "an individual, corporation, business trust, estate, trust, partnership, Limited Liability Company, association, joint venture, government, governmental subdivision, agency, or instrumentality, public corporation, or any other legal or commercial entity."

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21. Section 2025(g) of the TBR requires Fleet Owners to comply with the following compliance schedule for all vehicles in the Fleet with a GVWR greater than 26,000 pounds:

- -Vehicles with an engine model year of 1996 through 1999 must be equipped with a DPF by January 1, 2012.
- -Vehicles with an engine model year of 2000 through 2004 must be equipped with a DPF by January 1, 2013.
- -Vehicles with an engine model year of 2005 through 2006 must be equipped with a DPF by January 1, 2014.
- 22. Section 2025(x)(2) of the TBR provides that "[a]ny in-state or out-of-state motor carrier, California broker, or any California resident who operates or directs the operation of any vehicle subject to this regulation shall verify that each hired or dispatched vehicle is in compliance with the regulation and comply with the record keeping requirements of section 2025(s)(4)."
- 23. Section 2025(x)(3) of the TBR provides that "[c]ompliance may be accomplished by keeping at the business location, a copy of the Certificate of Reported Compliance with the In-Use On-Road Diesel Vehicle Regulation for each fleet, or in the vehicle."

Title 13, Section 2477 of California Code of Regulations: Transport Refrigeration Units Regulation

- 24. In accordance with Resolution 10-39 (November 2010), CARB adopted the "Airborne Toxic Control Measure for In-Use Diesel-Fueled Transport Refrigeration Units (TRU) and TRU Generator Sets, and Facilities Where TRUs Operate," codified at title 13, Section 2477 of the California Code of Regulations (the "TRU Regulation").
- 25. The EPA incorporated the TRU Regulation as submitted by the CARB into the California SIP, effective July 18, 2016. See 81 Fed. Reg. 39424 (June 16, 2016).

26. In accordance with Resolution 11-35 (October 2011), CARB amended the TRU Regulation, codified at title 13, Section 2477 of the California Code of Regulations (the "Amended TRU Regulation").

- 27. The EPA incorporated the Amended TRU Regulation as submitted by the CARB into the California SIP, effective June 18, 2018. See 83 Fed. Reg. 23232 (May 18, 2018).
- 28. Pursuant to Section 2477(b) of the TRU Regulation, and Section 2477.2(a) of the Amended TRU Regulation, the TRU Regulation and Amended TRU Regulation apply to owners and operators of diesel-fueled TRUs and TRU gen sets that operate in California, regardless of where the vehicle is based.
- 29. Section 2477(d)(52) of the TRU Regulation defines "Owner" as "any person that legally holds the title (or its equivalent) showing ownership of a TRU or TRU gen set, excluding [listed exemptions]." See also Section 2477.4(70) of the Amended TRU Regulation.
- 30. Section 2477(d)(51) of the TRU Regulation defines "Operator" as "any person, party or entity that operates a TRU or TRU gen set for the purposes of transporting perishable goods, excluding [listed exemptions]." See also Section 2477.4(68) of the Amended TRU Regulation.
- 31. Section 2477(d)(53) of the TRU Regulation defines "Owner/Operator" as "a requirement applies to the owner and/or operator of a TRU or TRU gen set, as determined by agreement or contract between the parties if the two are separate business entities." See also Section 2477.4(71) of the Amended TRU Regulation.
- 32. Section 2477(d)(65) of the TRU Regulation defines "Transport Refrigeration Unit (TRU)" as refrigeration systems powered by integral internal combustion engines designed to control the environment of temperature sensitive products that are transported in trucks and refrigerated trailers. TRUs may be capable of both cooling and heating." See also Section

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2477.4(91) of the Amended TRU Regulation.

- 33. Section 2477(d)(66) of the TRU Regulation defines "TRU Generator Set (TRU gen set)" as a generator set that is designed and used to provide electric power to electrically driven refrigeration units of any kind. This includes, but is not limited to gen sets that provide electricity to electrically powered refrigeration systems for semi-trailer vans and shipping containers." See also Section 2477.4(93) of the Amended TRU Regulation.
- 34. Pursuant to Section 2477(e)(1)(A) and (B) of the TRU Regulation, and Section 2477.5(a) and (b) of the Amended TRU Regulation, no owner or owner/operator shall operate a TRU or TRU gen set in California with a rated brake horsepower greater than or equal to 25 horsepower unless it meets the following in-use emission category performance standards and in-use compliance dates:
 - -A TRU or TRU gen set with a model year of 2001 must meet Low Emission TRU category performance standard ("LETRU") by December 31, 2008, and Ultra Low Emission TRU category performance standard ("ULETRU") by December 31, 2015.
 - -A TRU or TRU gen set with a model year of 2003 must meet LETRU by December 31, 2010, and ULETRU by December 31, 2017.
 - -A TRU or TRU gen set with a model year of 2004 must meet ULETRU by December 31, 2011.
 - -A TRU or TRU gen set with a model year of 2008 must meet ULETRU by December 31, 2015.

III. ALLEGATIONS

35. At all times relevant to this CAFO, Ruan was a "Person" as that term is defined under Section 2025(d)(47) of the TBR.

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- 36. At all times relevant to this CAFO, Ruan was a person or business that owned and/or operated diesel-fueled vehicles that have a GVWR greater than 14,000 pounds and are registered to be driven on public highways in California, among other states.
 - 37. At all times relevant to this CAFO, the TBR applied to Respondent.
- 38. At all times relevant to this CAFO, Ruan was a "Fleet Owner" of a "Fleet" of vehicles as those terms are defined under Section 2025(4)(28) and (29), respectively, of the TBR.
- 39. At all times relevant to this CAFO, Ruan was a "Motor Carrier" as that term is defined under Section 2025(d)(42) of the TBR.
- 40. In 2015, Respondent was a Fleet Owner of three (3) diesel-fueled Fleet vehicles that a) had an engine model year 2006; b) had a GVWR greater than 26,000 pounds; and c) were not equipped with DPFs by the compliance deadline of January 1, 2014.
- 41. In 2018, Respondent was a Fleet Owner of one (1) diesel-fueled Fleet vehicle that a) had an engine model year 2006; b) had a GVWR greater than 26,000 pounds; and c) was not equipped with a DPF by the compliance deadline of January 1, 2014.
- 42. Respondent violated Section 2025(g) of the TBR by failing to equip four (4) diesel-fueled Fleet vehicles identified in the preceding two paragraphs.
- 43. Within the period of January 1, 2015, through April 2, 2019, Respondent operated or directed the operation of 1,375 vehicles subject to the TBR and failed to verify that each hired or dispatched vehicle was in compliance with the TBR.
- 44. Within the period of January 1, 2015, through April 2, 2019, Respondent violated Section 2025(x)(2) of the TBR by failing to verify that each of 1,375 vehicles subject to the TBR that Ruan hired or dispatched was in compliance with the TBR.

45. At all times relevant to this CAFO, Ruan was an "Owner" and/or "Operator" and/or "Owner/Operator" as those terms are defined under Section 2477(d)(52), (51) and (53), respectively, of the TRU Regulation, and Section 2477.4(a)(70), (68) and (71), respectively, of the Amended TRU Regulation.

- 46. At all times relevant to this CAFO, the TRU Regulation or Amended TRU Regulation applied to Respondent.
- 47. Respondent owned or operated a TRU or TRU gen set with rated brake horsepower greater than or equal to 25 horsepower ("≥ 25 HP") that a) had a model year of 2001; b) operated in California within the period of January 1, 2015, to April 2, 2019; and c) failed to meet LETRU by December 31, 2008, and ULETRU by December 31, 2015.
- 48. Respondent owned or operated a TRU or TRU gen set with ≥ 25 HP that a) had a model year of 2003; b) operated in California within the period of January 1, 2015, to April 2, 2019; and c) failed to meet LETRU by December 31, 2010, and ULETRU by December 31, 2017.
- 49. Respondent owned or operated a TRU or TRU gen set with ≥ 25 HP that a) had a model year of 2004; b) operated in California in 2018; and c) failed to meet ULETRU by December 31, 2011.
- 50. Respondent owned or operated a TRU or TRU gen set with ≥ 25 HP that a) had a model year of 2008; b) operated in California in 2015; and c) failed to meet ULETRU by December 31, 2015.
- 51. Respondent owned or operated three (3) TRUs or TRU gen sets with ≥ 25 HP that a) had a model year of 2008; b) operated in California in 2017; and c) failed to meet ULETRU by December 31, 2015.

52. Respondent violated Section 2477(e)(1)(A) and (B) of the TRU Regulation or Section 2477.5(a) and (b) of the Amended TRU Regulation by failing to timely meet LETRU and/or ULETRU in seven (7) TRUs or TRU gen sets identified in the preceding five (5) paragraphs.

IV. RESPONDENT'S ADMISSIONS

53. In accordance with 40 C.F.R. § 22.18(b)(2) and for the purpose of this proceeding, Respondent: (i) admits that EPA has jurisdiction over the subject matter of this CAFO and over Respondent; (ii) neither admits nor denies the specific factual allegations contained in Section III of this CAFO; (iii) consents to the terms of this CAFO, including the assessment of the civil administrative penalty under Section V of this CAFO; (iv) waives any right to contest the allegations contained in Section III of this CAFO; and (v) waives the right to appeal the proposed Final Order contained in this CAFO.

V. CIVIL ADMINISTRATIVE PENALTY

- 54. Respondent agrees to the assessment of a penalty in the amount of ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$125,000) as final settlement of the civil claims against Respondent arising under the CAA as alleged in Section III of this CAFO.
- 55. Respondent shall pay the assessed penalty no later than thirty (30) days after the effective date of the CAFO. The assessed penalty shall be paid by certified or cashier's check, payable to "Treasurer, United States of America," or paid by one of the other methods listed below and sent as follows:

Regular Mail:
U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
PO Box 979077
St. Louis, MO 63197-9000

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1	Wire Transfers: Wire transfers must be sent directly to the Federal Reserve Bank in New York		
2	City with the following information: Federal Reserve Bank of New York		
3	ABA = 021030004		
4	Account = 68010727		
5	SWIFT address = FRNYUS33		
١	33 Liberty Street		
6	New York, NY 10045 Field Tag 4200 of the Fedruina massage should need "D 68010727		
7	Field Tag 4200 of the Fedwire message should read "D 68010727 Environmental Protection Agency"		
	Environmental Protection Agency		
8	Overnight Mail:		
9	U.S. Bank		
	1005 Convention Plaza		
10	Mail Station SL-MO-C2GL		
11	ATTN Box 979077		
	St. Louis, MO 63101		
12	ACH (also known as REX or remittance express):		
13			
	Account Number: 310006, Environmental Protection Agency		
14	CTX Format Transaction Code 22 - checking		
15	Physical location of US Treasury Facility		
	5700 Rivertech Court		
16	Riverdale, MD 20737		
17	Remittance Express (REX) 1-866-234-5681		
	On Line Poyments		
18	On Line Payment: This payment option can be accessed from the information below:		
19	www.pay.gov		
•	Enter "sfo1.1" in the search field		
20	Open form and complete required fields		
21	If clarification regarding a particular method of payment remittance is needed,		
	contact the EPA Cincinnati Finance Center at 513-487-2091		
22			
23	56. Concurrently, a copy of the check or notification that the payment has been made by one		
24	of the other methods listed above, including proof of the date payment was made, shall be sent		
25	with a transmittal letter indicating Respondent's name, the case title, and the docket number to		
26	the following addressees:		
27			
	Regional Hearing Clerk:		
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R9HearingClerk@epa.gov

Janice Chan: Chan.Janice@epa.gov

- 57. Payment of the above civil administrative penalty shall not be used by Respondent or any other person as a tax deduction from Respondent's federal, state, or local taxes.
- 58. If Respondent fails to pay the assessed civil administrative penalty specified in Paragraph 54 by the deadline specified in Paragraph 55, then Respondent shall pay to EPA a stipulated penalty of \$2,000 per day in addition to the assessed penalty. Stipulated penalties shall accrue until such time as the assessed penalty and all accrued stipulated penalties are paid and shall become due and payable upon written request by EPA. In addition, failure to pay the civil administrative penalty by the deadline specified in Paragraph 55 may lead to any or all of the following actions:
 - a. The debt being referred to a credit reporting agency, a collection agency, or to the Department of Justice for filing of a collection action in the appropriate United States District Court. 40 C.F.R. §§ 13.13, 13.14, and 13.33. In any such collection action, the validity, amount, and appropriateness of the assessed penalty and of this CAFO shall not be subject to review.
 - b. The debt being collected 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. 40 C.F.R. Part 13, Subparts C and H. c. EPA may (i) suspend or revoke each Respondent's licenses or other privileges; or (ii)

suspend or disqualify each Respondent from doing business with EPA or engaging in

programs EPA sponsors or funds. 40 C.F.R. § 13.17.

d. In accordance with the Debt Collection Act of 1982 and 40 C.F.R. Part 13, interest, penalties charges, and administrative costs will be assessed against the outstanding amount that Respondents owe to EPA for Respondents' failure to pay the civil administrative penalty by the deadline specified in Paragraph 55. Interest will be assessed at an annual rate that is equal to the rate of current value of funds to the United States Treasury (i.e., the Treasury tax and Ioan account rate) as prescribed and published by the Secretary of the Treasury in the Federal Register and the Treasury Fiscal Requirements Manual Bulletins. 40 C.F.R. § 13.11(a)(1). Penalty charges will be assessed monthly at a rate of 6% per annum. 40 C.F.R. § 13.11(c). Administrative costs for handling and collecting Respondents' overdue debt will be based on either actual or average cost incurred, and will include both direct and indirect costs. 40 C.F.R. § 13.11(b). In addition, if this matter is referred to another department or agency (e.g., the Department of Justice, the Internal Revenue Service), that department or agency may assess its own administrative costs, in addition to EPA's administrative costs, for handling and collecting Respondents' overdue debt.

VI. RESPONDENT'S CERTIFICATION

59. In executing this CAFO, Respondent certifies that it is now fully in compliance with the TBR and Amended TRU Regulation.

VII. RETENTION OF RIGHTS

60. In accordance with 40 C.F.R. § 22.18(c), this CAFO only resolves Respondent's liability for federal civil penalties for the violations and facts specifically alleged in Section III of this CAFO. Nothing in this CAFO is intended to or shall be construed to resolve (i) any civil liability for violations of any provision of any federal, state, or local law, statute, regulation, rule,

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ordinance, or permit not specifically alleged in Section III of this CAFO; or (ii) any criminal liability. EPA specifically reserves any and all authorities, rights, and remedies available to it (including, but not limited to, injunctive or other equitable relief or criminal sanctions) to address any violation of this CAFO or any violation not specifically alleged in Section III of this CAFO. This CAFO does not exempt, relieve, modify, or affect in any way Respondent's duty to comply with all applicable federal, state, and local laws, regulations, rules, ordinances, and permits.

VIII. ATTORNEYS' FEES AND COSTS

61. Each party shall bear its own attorneys' fees, costs, and disbursements incurred in this proceeding.

IX. EFFECTIVE DATE

62. In accordance with 40 C.F.R. §§ 22.18(b)(3) and 22.31(b), this CAFO shall be effective on the date that the final order contained in this CAFO, having been approved and issued by either the Regional Judicial Officer or Regional Administrator, is filed.

X. BINDING EFFECT

- 63. The undersigned representative of Complainant and the undersigned representative of Respondent each certifies that he or she is fully authorized to enter into the terms and conditions of this CAFO and to bind the party he or she represents to this CAFO.
- 64. The provisions of this CAFO shall apply to and be binding upon Respondent and its officers, directors, employees, agents, trustees, servants, authorized representatives, successors, and assigns.

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2	FOR RESPONDENT, Ruan Transp	portation Management Systems, Inc.:
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4	Sept. 11, 2020	Januic Hoter Smeth
5	DATE	Mame Danielle I. Forter Smith Title VPV Ceneral Counsel
6		* * veneral counsel
7		
8	FOR COMPLAINANT:	AMY MILLER Digitally signed by AMY
9		D. J. COOR CO. A.F. A.C. A.C. A.C.
10		BOWEN Date: 2020.09.15 10:14:31
11	DATE	Amy C. Miller-Bowen, Director Enforcement & Compliance Assurance Division
12		U.S. Environmental Protection Agency, Region 9
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FINAL ORDER

Complainant and Respondent, having entered into the foregoing Consent Agreement,

IT IS HEREBY ORDERED that this CAFO (Docket No. CAA-09-2020-0070) be entered,
and that Respondent shall pay a civil administrative penalty in the amount of ONE HUNDRED

TWENTY-FIVE THOUSAND DOLLARS (\$125,000) and comply with the terms and
conditions set forth in the Consent Agreement. This Consent Agreement and Final Order shall
become effective upon filing.

Steven L. Jawgiel

Digitally signed by Steven L. Jawgiel Date: 2020.09.21 10:06:11 -07'00'

DATE

STEVEN JAWGIEL
Regional Judicial Officer
U.S. Environmental Protection Agency,
Region 9

CERTIFICATE OF SERVICE

This is to certify that the original of the fully executed Consent Agreement and Final Order in the matter of Ruan Transportation Management Systems Inc. (CAA-09-2020-0070) was filed with the Regional Hearing Clerk and that a true and correct copy of the same was sent to the following:

FOR RESPONDENT: Danielle I. Foster-Smith, Esq.

Vice President and General Counsel

Ruan Transportation Management Systems

Email: dasmith@ruan.com

FOR COMPLAINANT: Brian P. Riedel, Esq.

Assistant Regional Counsel

EPA - Region 09

Email: Riedel.Brian@epa.gov

Steven Armsey

Regional Hearing Clerk

Office of Regional Counsel, Region IX