

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
BEFORE THE ADMINISTRATOR**

In the Matter of:)	
)	
Taotao USA, Inc.,)	Docket No. CAA-HQ-2015-8065
Taotao Group Co., Ltd., and)	
Jinyun County Xiangyuan Industry Co., Ltd.)	
)	
Respondents.)	

**COMPLAINANT’S RESPONSE TO
RESPONDENTS’ FIRST MOTION TO SUPPLEMENT THE PREHEARING
EXCHANGE**

The Director of the Air Enforcement Division of the U.S. Environmental Protection Agency’s Office of Civil Enforcement (“Complainant”) files this Response to respondents Taotao USA, Inc., Taotao Group Co., Ltd., and Jinyun County Xiangyuan Industry Co., Ltd.’s (collectively “Respondents”) First Motion to Supplement the Prehearing Exchange (the “Motion”), which was transmitted to Complainant on June 16, 2017, and filed on June 19, 2017.

On June 23, 2017, Complainant filed a Motion *in Limine* to Exclude Evidence and Testimony. In that motion, Complainant requests that this Tribunal exclude from the evidentiary hearing in this matter the following exhibits, witnesses, and testimony identified in Respondents’ First Motion to Supplement the Prehearing Exchange: (1) Respondents’ Exhibits RX018 and RX019; (2) testimony of Larry Doucet; (3) testimony of Clark Gao and/or Joseph L. Gatsworth; (4) testimony of the primary author of the Clean Air Act Mobile Source Penalty Policy; (5) testimony of Granta Nakayama; and (6) testimony of Jacqueline Robles Werner. These exhibits and witnesses are, broadly, not relevant or probative to the narrow issue of penalty that remains

in this case. More specifically, the testimony of Larry Doucet, Clark Gao, and Joseph Gatsworth are relevant to the issue of liability, rather than penalty.

Complainant renews and incorporates by reference the objections made in Complainant's June 23, 2017 Motion *in Limine*, where Complainant identified documents and witnesses in Respondents' First Motion to Supplement the Prehearing Exchange and provided reasons for excluding those documents and witnesses from the evidentiary hearing. Complainant respectfully suggests that the reasons for excluding the documents and witnesses from the evidentiary hearing also support excluding the documents and witnesses from the prehearing exchange.

Also on June 23, 2017, Complainant filed a Notice of Potential Conflict of Interest Regarding Jonathan Shefftz. Mr. Shefftz, a proposed expert witness for Respondents, was contracted to work for EPA on matters involving economic benefit at the same time he prepared an expert report on economic benefit for Respondents. Complainant still is investigating this matter and reserves its right to raise objections to Mr. Shefftz's proposed testimony and his expert report being included in the record for this proceeding once Complainant's investigation is complete.

In conclusion, Complainant partially opposes the Motion for the reasons identified above, and respectfully requests that this Tribunal deny Respondents' Motion to add (1) Respondents' Exhibits RX018 and RX019; (2) potential witness Larry Doucet; (3) potential witnesses Clark Gao and/or Joseph L. Gatsworth; (4) the primary author of the Clean Air Act Mobile Source Penalty Policy; (5) potential witness Granta Nakayama; and (6) potential witness Jacqueline Robles Werner to their Prehearing Exchange.

Respectfully Submitted,

6/30/2017

Date



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CERTIFICATE OF SERVICE

I certify that the foregoing Response to Respondents' First Motion to Supplement the Prehearing Exchange in the Matter of Taotao USA, Inc., et al., Docket No. CAA-HQ-2015-8065, was filed and served on the Presiding Officer this day through the Office of Administrative Law Judge's E-Filing System.

I certify that three copies of the foregoing Response were sent this day by certified mail, return receipt requested, for service on Respondents' counsel at the address listed below:

William Chu, Esq.
The Law Offices of William Chu
4455 LBJ Freeway, Suite 909
Dallas, TX 75244

I certify that an electronic copy of the foregoing Response was sent this day by e-mail to the following e-mail addresses for service on Respondents' counsel: William Chu at wmchulaw@aol.com; Salina Tariq at stariq.wmchulaw@gmail.com; and David Paulson at dpaulson@gmail.com.

6/30/2017
Date


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