

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C.**

In the Matter of:

**Taotao USA, Inc.,
Taotao Group Co., Ltd., and
Jinyun County Xiangyuan Industry
Co., Ltd.,**

Respondents.

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**Docket No.
CAA-HQ-2015-8065**

**RESPONDENTS' MOTION TO STAY PROCEEDING AGAINST
RESPONDENTS PENDING EXECUTIVE AND ENFORCEMENT CHANGES AT
THE ENVIRONMENTAL PROTECTION AGENCY**

TO THE HONORABLE JUDGE OF SAID COURT:

On January 20, 2017, the Environmental Protection Agency (hereafter "EPA" or "Agency") will be at the onset of a sweeping regulatory and policy-making transition with the incoming presidential administration of President-Elect Donald Trump expected to nominate and secure a new leader of the Environmental Protection Agency. During the first six months of 2017, the EPA will undergo a substantial transition in terms of regulation and enforcement and all related disruptions and delays that generally accompany this process.

For this reason, Respondents, Taotao USA, Inc. ("Taotao USA"), TaoTao Group Co., Ltd. ("Taotao Group"), and Jinyun County Xiangyuan Industry Co., Ltd. ("JCXI"), respectfully request a limited stay of the proceedings in the above named cause until the EPA has an opportunity to transition and absorb all developments in terms of changing EPA polices, practices, guidelines, enforcement, and oversight measures in relation to various provisions of the Clean Air Act, U.S.C. § 7412.

Without a stay of the above proceedings, Respondents will be unduly burdened by potential disruptions in enforcement, oversight, regulatory measures, and conflicts in rule interpretation and enforcement mechanisms. This stay of limited duration is in the interest of efficiency, will not harm the EPA, and would not inflict potential or undue hardship on the EPA or any other federal agencies.

In fact, a delay until the EPA has made a full transition in 2017 will ensure that all proceedings are completed in a timely fashion once begun without disruption or delay to any of the parties. For the foregoing reasons, Respondents request a stay of all proceedings in the above-described cause of action until December 2017.

BACKGROUND AND FACTS

Respondents Taotao Group and JCXI are claimed to have manufactured or assembled highway motorcycles and recreational vehicles belonging to different engine families, while Respondent Taotao USA held an EPA-granted Certificate of Compliance (COC) that became the subject of this dispute and cause of action. When the EPA claimed that the catalyst active material inside the vehicles' catalytic converters did not conform to design specifications described in the COC, the EPA, citing provisions of the Clean Air Act, concluded that the Respondents violated the Clean Air Act. The EPA has yet to make a claim that the catalyst precious metals concentrations found in the vehicles inspected and the minor differences when compared to the COC applications had any impact or any effect on the environment. Further, there is no active, viable claim that the active material concentration in the vehicles exceeds acceptable federal limits, or that such limits even exist.

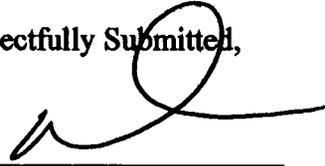
Respondents continue to dispute whether provisions of the Clean Air Act governing emission standards for the protection of the environment can be broadened to such a degree to encompass minor disputes over inconsequential precious metal concentrations when there is no direct violation at bar or a formal issue with emission standards. Further, there is an overriding cost-benefit analysis that still must occur to determine whether or not the EPA has the authority to act to the extent that it has in relation to the vehicles in question. *See generally, Michigan et al. v. Environmental Protection Agency et al, No. 14-16, slip op. at 1-2 (U.S. Supreme Court October 2014)* (held that EPA was unreasonable when it determined cost considerations are irrelevant to the decision to regulate power plants).

The process to make this determination is likely to be timely and any sudden adjustments to how the Clean Air Act is interpreted or enforced could cause substantial financial and procedural disruptions for the Respondents as they attempt to resolve these issues and gain clarity on the administrative agency's precise perspective on each issue.

CONCLUSION

Since a 12-month stay would not harm any of the parties or the EPA, a stay is appropriate to reduce costs and ensure all analysis of the rules and oversight activity is consistent and to prevent Respondents or the EPA from having to duplicate processes or deal with conflicting interpretations of Clean Air Act provisions. For these reasons, Respondents respectfully request a 12-month stay.

Respectfully Submitted,



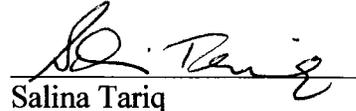
William Chu
Texas State Bar No. 04241000
The Law Offices of William Chu
4455 LBJ Freeway, Suite 1008
Dallas, Texas 75244
Telephone: (972) 392-9888
Facsimile: (972) 392-9889
wmchulaw@aol.com
Attorney for Respondents

01/12/17

Date

CERTIFICATE OF CONFERENCE

Counsel for the Respondent has confirmed that Counsel for Complainant, Edward Kulschinsky, is opposed to this request to stay proceeding.


Salina Tariq

CERTIFICATE OF SERVICE

This is to certify that the foregoing Motion to Stay 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 a copy of the foregoing Motion was sent this day by certified mail, return receipt requested, for service on Ed Kulschinsky and Robert Klepp, counsels for Complainant, as follows:

Ed Kulschinsky
Robert G. Klepp
Air Enforcement Division
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
1200 Pennsylvania Ave., NW
William J. Clinton Federal Building
Room 1142C, Mail Code 2242A
Washington, DC 20460
(202) 564-4133
Kulschinsky.edward@epa.gov

01/12/17

Date


Salina Tariq