

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
BEFORE THE ADMINISTRATOR

RECEIVED BY OALJ
2017 OCT 16 PM 12:53

In the Matter of:)
)
Taotao USA, Inc.,)
Taotao Group Co., Ltd., and)
Jinyun County Xiangyuan Industry Co., Ltd.)
)
Respondents.)

Docket No. CAA-HQ-2015-8065

BUSINESS CONFIDENTIALITY ASSERTED

The exhibit submitted with Complainant's Motion for Leave to File Out of Time and Motion to Correct Expert Report contains material claimed to be confidential business information ("CBI") pursuant to 40 C.F.R. § 2.203(b). The material claimed as CBI is Complainant's Exhibit CX214, Corrected Report of Dr. James J. Carroll CPA.

A complete filing in which the exhibit containing CBI is included has been filed with the Hearing Clerk. If you have any questions, please contact Robert Klepp, at klepp.robert@epa.gov, or at (202) 564-5805.

**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.)

RECEIVED BY DAI
2017 OCT 16 PM 2:18

**COMPLAINANT’S MOTION FOR LEAVE TO FILE OUT OF TIME
& MOTION TO CORRECT EXPERT REPORT**

The Director of the Air Enforcement Division of the U.S. Environmental Protection Agency’s Office of Civil Enforcement (“Complainant”) files this Motion for Leave to File Out of Time & Motion to Correct Expert Report pursuant to section 22.19(f) and 22.22(a)(1) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (“Consolidated Rules”), the Hearing Notice and Order issued by this Tribunal on May 9, 2017, and the Order on Respondents’ Motion for Continuance of the Hearing issued by this Tribunal on June 27, 2017. Complainant attempted to reach Respondents’ counsel to confer on whether they oppose this motion, but was unable to make contact.

The Consolidated Rules direct parties to supplement their prehearing exchange whenever they learn that the exchange was incomplete, inaccurate, or outdated. 40 C.F.R. § 22.19(f). The Consolidated Rules further prohibit parties from introducing documents within 15 days of the hearing unless the non-exchanging party had good cause for failing to exchange the required information and provided the required information to all other parties as soon as it had control of the information. 40 C.F.R. § 22.22(a)(1).

Late during trial preparation on October 15, 2017, Complainant's expert witness Dr. James J. Carroll discovered an error in his original expert report, previously filed as CX192. In reviewing his data, Dr. Carroll discovered that his original calculations utilized Risk Management Association industry data corresponding to companies with annual revenue of \$100 million to \$250 million. The better choice was data corresponding to companies with annual revenue of \$10 million to \$15 million, which better corresponds to the size of Taotao USA, Inc. The ratios impacted are the trade receivables as a percentage of assets and the cost of goods sold/payables. Also, under section D, Approach 1, the average accounts payable period expressed in months of purchases was adjusted to better reflect the reported data. These changes are not material to the final opinion, and correcting the calculations does not change Dr. Carroll's ultimate opinion.

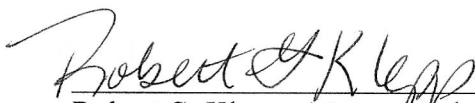
Though the changes to Dr. Carroll's report are ultimately not material, upon discovering the errors Complainant is acting immediately to bring the issue to the attention of opposing counsel and this Tribunal, and provide correct, accurate information for the record in advance of hearing. Complainant requests leave to provide a corrected expert report with revised calculations as CX214.

Conclusion

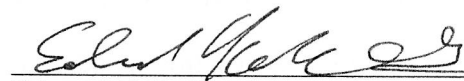
Complainant requests leave to file this motion out of time, and leave to file the attached corrected expert report as CX214.

Respectfully Submitted,


10/16/17
Date


Robert G. Klepp, Attorney Adviser
Air Enforcement Division
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
1200 Pennsylvania Ave., N.W.
William J. Clinton Federal Building
Room 1111A, Mail Code 2242A
Washington, DC 20460
(202) 564-5805
klepp.robert@epa.gov

10/16/2017
Date


Edward Kulschinsky, Attorney Adviser
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

10/16/17
Date


Mark Palermo, Attorney Adviser
Air Enforcement Division
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
1200 Pennsylvania Ave., NW
William J. Clinton Federal Building
Room 3119C, Mail Code 2242A
Washington, DC 20460
p. (202) 564-8894
palermo.mark@epa.gov

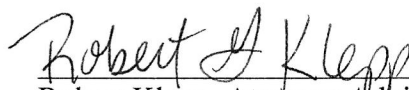
CERTIFICATE OF SERVICE

I certify that the foregoing Complainant's Motion for Leave to File Out of Time and Motion to Correct Expert Report in the Matter of Taotao USA, Inc., et al., Docket No. CAA-HQ-2015-8065, with CBI omitted, and three copies of proposed Exhibit CX214, were filed this day by hand delivery to the Headquarters Hearing Clerk in the EPA's Office of the Headquarters Hearing Clerk at the address listed below:

U.S. Environmental Protection Agency
Office of the Headquarters Hearing Clerk
1300 Pennsylvania Ave., NW, MC-1900R
Ronald Reagan Building, Room M1200
Washington, DC 20004

I certify that an electronic copy of Complainant's Motion for Leave to File Out of Time and Motion to Correct Expert Report, with CBI protected by password, was sent this day for service by electronic mail to Respondents' counsel: William Chu at wmchulaw@aol.com; Salina Tariq at stariq.wmchulaw@gmail.com; and David Paulson at dpaulson@gmail.com.

10/16/17
Date _____



Robert Klepp, Attorney Adviser
Air Enforcement Division
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
1200 Pennsylvania Ave., NW
William J. Clinton Federal Building
Room 1111A, Mail Code 2242A
Washington, DC 20460
(202) 564-5805
klepp.robert@epa.gov

CX214

**Corrected Report of Dr.
James J. Carroll CPA**

**Claimed as Confidential Business
Information Pursuant to
40 C.F.R. § 2.203(b)**

**A complete copy of this document has
been filed with the Hearing Clerk.**