

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C.

In the Matter of:

PEACE INDUSTRY GROUP (USA)
AND BLUE EAGLE MOTOR, INC.
et. al.

Respondents.

Docket No. CAA-HQ-2014-8119

ANSWER TO ADMINISTRATIVE COMPLAINT

NOW COMES Respondent Peace Industry Group (USA), Inc. and Blue Eagle Motor, Inc., and through counsel, and hereby respond to the Complaint of the Environmental Protection Agency in the above-captioned matter:

Response to Numbered Paragraphs of Complaint

1.

This paragraph is a statement of law and requires no response.

2.

This paragraph is a statement identifying Complainant and requires no response.

3.

The allegations contained in this paragraph are admitted only to the extent that they are named not that they are proper parties to the action.

4.

In response to allegations regarding Peace Industry Group (USA), Inc. hereinafter PIGI and Blue Eagle Motor, Inc., hereinafter BEM admit the allegations contained in this paragraph.

5.

The allegations contained in this paragraph are admitted.

6.

The allegations contained in the first two sentences of this paragraph are admitted to the best of these respondents knowledge. The third sentence of this paragraph cannot be admitted nor denied without strict and specific proof of each and every fact necessary to substantiate any or all of the allegations contained therein and therefore would have to deny them all at this time. Further the extent that PIGI and BEM have any knowledge these Respondents have insufficient information to either admit or deny allegations as regards to the other parties involved.

7.

The allegations contained in this paragraph are denied in as much as no specific information has ever been provided regarding alleged testing, qualifications of persons who are alleged to have conducted the test, how the very limited number of subject vehicles were chosen, whether the selection would have

been proper and sufficient selection and various possible non-conforming vehicles. The possibly of biased non-scientific procedures which may have been used and any number of other contaminations which have or may have prejudiced the alleged findings.

8.

This paragraph is a statement of law and requires no response.

9.

This paragraph is a statement of law and requires no response.

10.

This paragraph is a statement of definitions and requires no response.

11.

This paragraph is a statement of law and requires no response.

12.

This paragraph is a statement of law and requires no response.

13.

This paragraph is a statement of definitions and law and requires no response including all sub-parts (a – k).

14.

This paragraph is a statement of law and requires no response including all sub-parts (a – l).

15.

This paragraph is a statement of law and requires no response.

16.

This paragraph is a statement of law and requires no response, including all sub-parts (a – c).

17.

This paragraph is a statement of law and requires no response.

18.

This paragraph is a statement of law and requires no response.

19.

This paragraph is a statement of law and requires no response.

20.

This paragraph is a statement of law and requires no response.

21.

This paragraph is a statement of law and requires no response.

22.

This paragraph is a statement of law and requires no response.

23.

This paragraph is a statement of law and requires no response.

24.

The named Respondents deny the allegations contained in this paragraph without sufficient information to support the allegations.

25.

The Respondents PIGI and BEM can neither directly admit nor deny the allegations contained in this paragraph as they have no actual direct knowledge, but would conjecture that they are true, but in an abundance of caution would have to deny the allegations without strict and specific proof of each and every fact necessary to establish the assertions and allegations contained in this paragraph.

26.

The Respondents can neither directly admit nor deny the allegations contained in this paragraph as they have no actual direct knowledge, but would conjecture that they are true, but in an abundance of caution would have to deny the allegations without strict and specific proof of each and every fact necessary to establish the assertions and allegations contained in this paragraph.

27.

The Respondents can neither directly admit nor deny the allegations contained in this paragraph as they have no actual direct knowledge, but would conjecture that they are true, but in an abundance of caution would have to deny the allegations without strict and specific proof of each and

every fact necessary to establish the assertions and allegations contained in this paragraph.

28.

The Respondents can neither directly admit nor deny the allegations contained in this paragraph as they have no actual direct knowledge, but would conjecture that they are true, but in an abundance of caution would have to deny the allegations without strict and specific proof of each and every fact necessary to establish the assertions and allegations contained in this paragraph.

29.

The Respondents can neither directly admit nor deny the allegations contained in this paragraph as they have no actual direct knowledge, but would conjecture that they are true, but in an abundance of caution would have to deny the allegations without strict and specific proof of each and every fact necessary to establish the assertions and allegations contained in this paragraph.

30.

The Respondents deny the allegations of the EPA as stated and demand direct and specific factual scientific proofs of each allegation as it applies to each and every member of the 10,707 vehicles which the EPA alleges are in violation

and not some random unspecified sampling made by an unknown and un-named party.

Count One: Is denied and lacks sufficient specificity to respond to, as it very general and not supported by any facts.

Count Two: Is denied and lacks any sufficient specificity to respond to, as it very general and not supported by any facts.

31.

The Respondents deny the allegations of the EPA as stated and demand direct and specific factual scientific proofs of each allegation as it applies to each and every member of the 12,252 vehicles which the EPA alleges are in violation and not some random unspecified sampling made by an unknown and un-named party.

Count Three: Is denied and lacks any sufficient specificity to respond to, as it very general and not supported by any facts.

Count Four: Is denied and lacks any sufficient specificity to respond to, as it very general and not supported by any facts.

Count Five: Is denied and lacks any specificity to respond to, as it is very general and not supported by any facts.

32

COUNT SIX

The Respondents deny the allegations of the EPA as stated and demand direct and specific factual scientific proofs of each allegation as it applies to each and every member of the 5,908 vehicles which the EPA alleges are in violation and not some random unspecified sampling made by an unknown and un-named party.

33.

The Respondents deny the allegations of the EPA as stated and demand direct and specific factual scientific proofs of each allegation as it applies to each and every member of the many vehicles which the EPA alleges are in violation and not some random unspecified sampling made by an unknown and un-named party.

Count Seven: Is denied and lacks any sufficient specificity to respond to as it very general and not supported by any facts.

Count Eight: Is denied and lacks any sufficient specificity to respond to, as it very general and not supported by any facts.

34.

The Respondents, PIGI and BEM deny being responsible for the alleged violations and show that the named manufactures hired and used independent certifying agency who is responsible and alleged violations if true. Motor Science was an independent certifying agency which has in fact been found by the EPA to be the responsible party in prior years and has obtained a judgment against Motor Science for the same violations it is alleging against these blameless Respondents. In substance the EPA is attempting to “double dip”!

35.

This is a statement of law and requires no response.

36.

This is a statement of law and requires no response. In an abundance of caution the Respondents do deny being subject to any civil penalty for alleged violations of other entities.

37.

This is a statement of law and requires no response.

38.

This is a statement of law and requires no response.

39.

To the extent that this paragraph contains a statement of law it requires no response. To the extent the paragraph contains allegations which have already been deny such denial is reasserted by these Respondents.

40.

To the extent that this paragraph contains a statement of law it requires no response. To the extent the paragraph contains allegations which have already been deny such denial is reasserted by these Respondents.

41.

THE RESPONDENTS REQUEST A HEARING AND MEDIATION REGARDING THE APPROPRIATENESS OF ANY PENALTY.

42.

This is a statement of law and procedure and requires no response.

43.

This Answer asserts the Respondents contest and deny the alleged facts contained in this complaint by the EPA. The Respondents PIGI and BEM contend a civil penalty is inappropriate and that they are entitled to a defense judgment as a matter of law.

44.

This is a statement of law and procedure and requires no response.

45.

This is a statement of law and procedure and requires no response.

46.

This is a statement of law and procedure and requires no response.

General Denial

Respondent denies each and every allegation of the Complaint not specifically admitted. To the extent that any allegation of fact in the Complaint remains unanswered, Defendant denies such allegation.

Defenses to the Claims Alleged

1. Respondent disputes the penalty proposed by Complainant as inappropriate and unwarranted, based on the allegations of the complaint.
2. Complainant has not provided a statement of reasoning for the proposed penalty.
3. Respondent has complied with the provisions of Part A of Title II of the Clean Air Act, 42 U.S.C. §§ 7521–7554, and the regulations promulgated thereunder.
4. Respondent reserves its right to present any other defenses to the Complaint in the future.

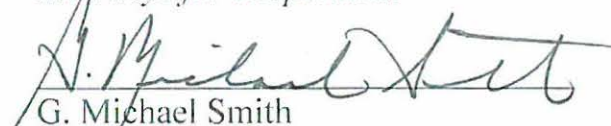
Request for a Hearing

Based on the above, Respondent hereby requests a hearing and mediation to dispute the allegations of the Complaint, as well as the proposed penalty assessment.

Submitted his 28th day of July, 2014.

SMITH COLLINS, LLC

Attorneys for Respondent



G. Michael Smith

Georgia Bar No. 658000

gmams@aol.com

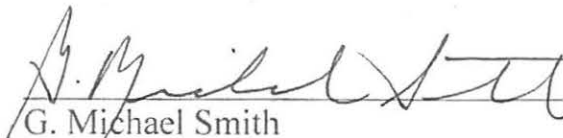
*8565 Dunwoody Place
Building # 15
Atlanta, Georgia 30350
404-806-7180*

CERTIFICATE OF SERVICE

I CERTIFY that on this same date, a true copy of this document was sent via U.S.

Mail to:

Evan M. Belser
U.S. EPA, Air Enforcement Division
1200 Pennsylvania Ave., N.W.
Mailcode 2242A
Washington, DC 20460

A handwritten signature in black ink, appearing to read "G. Michael Smith", written over a horizontal line.

G. Michael Smith
Georgia Bar No. 658000

