

**Enclosure**

**CLEAN AIR ACT MOBILE SOURCE EXPEDITED SETTLEMENT AGREEMENT**

DOCKET NO. CAA-11-8045

Respondent: Russell A. Fowler  
Krone NA, Inc.  
3363 Miac Cove  
Memphis, TN 38118

1. The parties enter into this Clean Air Act Mobile Source Expedited Settlement Agreement (Agreement) in order to settle the civil violations discovered as a result of the inspection specified in Table 1, attached, incorporated into this Agreement by reference. The civil violations that are the subject of this Agreement are described in Table 2, attached, incorporated into the Agreement by reference, regarding the vehicles/engines specified therein.
2. Respondent admits being subject to the Clean Air Act (CAA) and its associated regulations and that the United States Environmental Protection Agency (EPA) has jurisdiction over the Respondent and the Respondent's conduct described in Table 2. Respondent does not contest the findings detailed therein, and waives any objections Respondent may have to the EPA's jurisdiction.
3. Respondent consents to the payment of a penalty in the amount of \$28,000, further described in Table 3, attached, incorporated into this Agreement by reference. Respondent agrees to follow the instructions in "CAA Mobile Source Expedited Settlement Agreement Instructions," attached, incorporated into this Agreement by reference. Respondent certifies that the required remediation, detailed in Table 3, has been carried out.
4. By its first signature below, the EPA approves the findings resulting from the inspection and alleged violations set forth in Table 1 and Table 2. Upon signing and returning this Agreement to the EPA, Respondent consents to the terms of this Agreement without further notice. Respondent acknowledges that this Agreement is binding on the parties signing below, and becomes effective on the date of the EPA Air Enforcement Division Director's ratifying signature.

APPROVED BY EPA:

*For Phillip A. Brooks*  
  
Phillip A. Brooks, Director, Air Enforcement Division

Date: 3/27/13

APPROVED BY RESPONDENT:

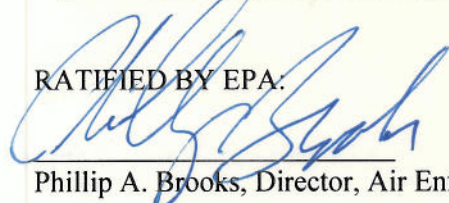
Name (print): Russell A. Fowler

Title (print): President/CEO

Signature: 

Date: 8 April 2013

RATIFIED BY EPA:

  
Phillip A. Brooks, Director, Air Enforcement Division

Date: 4/24/13

**Table 1 - Inspection Information**

<b>Entry/Inspection Date(s):</b>		<b>Docket Number:</b>	
June 2009- December 2012		C A A - 1 3 - 8 0 4 5	
<b>Inspection Location:</b>		<b>Entry/Inspection Number(s)</b>	
Krone NA, Inc.			
<b>Address:</b>			
3363 Miac Cove			
<b>City:</b>		<b>Inspector(s) Name(s):</b>	
Memphis		Krone NA, Inc.	
<b>State:</b>	<b>Zip Code:</b>	<b>EPA Approving Official:</b>	
TN	38118	Phillip A. Brooks	
<b>Respondent:</b>		<b>EPA Enforcement Contact:</b>	
Krone NA, Inc.		David Alexander (202) 564-2109	

**Table 2 - Description of Violation and Vehicles/Engines**

Respondent Krone NA, Inc., as the importer and seller of new nonroad engines and equipment containing new nonroad engines, is an engine manufacturer under both 42 U.S.C. § 7550(9) and 40 C.F.R. § 1039.801. Imported engines are defined as being new at the time of importation under 40 C.F.R. § 1039.801. Respondent imported 60 nonroad compression ignition engines rated above 560 kW that were neither certified, nor properly exempted from certification (Improperly Labeled Subject Engines), in violation of Section 203 of the Clean Air Act (42 U.S.C. § 7522(a)(1) and 40 C.F.R. § 1068.101(a)(1). However, Respondent demonstrated that the Improperly Labeled Subject Engines would have qualified for the FLEX exemption (40 C.F.R. § 89.102), had the engines not been improperly labeled. Respondent also imported 17 uncertified 311 kW nonroad compression-ignition engines in violation of Section 203 of the Clean Air Act (42 U.S.C. § 7522(a)(1)) and 40 C.F.R. § 1068.101(a)(1). Respondent claims that it subsequently exported these 17 engines along with 5 of the Improperly Labeled Subject Engines.

**Subject Engine Description**

See next page

**Table 3 - Penalty and Required Remediation**

<b>Penalty</b>	\$28,000
<b>Required Remediation</b>	Re-label the 16 Improperly Labeled Subject Engines under Respondent's control (identified as "Inventory" in the table) with a label meeting the requirements of 40 C.F.R. § 89.102(i)(9). Export, or confirm the prior exportation of 23 engines identified as "Exported" in the table, including the 17 engines rated at 311 kW and 5 of the Improperly Labeled Subject Engines. Commence a service campaign to re-label the remaining Improperly Labeled Subject Engines (identified as "Sold" in the table) with a label meeting the requirements of 40 C.F.R. § 89.102(i)(9). Relabeling may occur when the equipment is returned to Respondent for service. Establish, or confirm the existence of, a set of records necessary to track compliance with the FLEX program. Count all Improperly Labeled Subject Engines against the total allowance under the FLEX program.