Enclosure CLEAN AIR ACT MOBILE SOURCE EXPEDITED SETTLEMENT AGREEMENT

DOCKET NO. CAA-12-7930

Respondent:

Chad Johnson

Wasteland Performance

1359 153rd Lane NE Suite 100 Ham Lake, MN 55304-4667

- 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 this 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 EPA's jurisdiction.
- 3. Respondent consents to the payment of a penalty in the amount of \$1,200, 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, 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 EPA, Respondent consents to the terms of the 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: The for | Date: 8/6/12 |
|---|---------------|
| Phillip A. Brooks, Director, Air Enforcement Division | |
| | |
| APPROVED BY RESPONDENT: | |
| Name (print): Chad B Johnson | |
| Title (print): Owner | |
| Signature: | Date: 8/29/12 |
| RATIFIED BY EPA: | Date: 9/6/12 |
| Phillip A Brooks Director Air Enforcement Division | |

| | Table 1 - Inspection Information | | | | | | | |
|----------------------------|--|--|--|--|--|--|--|--|
| Entry/Inspection Date(s): | Docket Number: | | | | | | | |
| June 29, 2010 | C A A - 1 2 - 7 9 3 0 | | | | | | | |
| Inspection Location: | Entry/Inspection Number(s) | | | | | | | |
| CBP Warehouse | 5 8 1 - 7 5 1 9 0 4 0 - 2 | | | | | | | |
| Address: | | | | | | | | |
| 9915 Bryn Mawr Avenue | | | | | | | | |
| City: | Inspector(s) Name(s): | | | | | | | |
| Rosemont | Mario Jorquera | | | | | | | |
| State: Zip Code: | EPA Approving Official: | | | | | | | |
| IL 60018 | Phillip A. Brooks | | | | | | | |
| Respondent: | EPA Enforcement Contact: | | | | | | | |
| Wasteland Performance, LLC | Evan M. Belser, Attorney Advisor: (202) 564-6850 | | | | | | | |
| Table 2 - D | escription of Violation and Vehicles/Engines | | | | | | | |

Under Clean Air Act regulations, one may not import into the United States a new engine for resale unless that engine is covered by a valid certificate of conformity (COC). 40 C.F.R. § 1068.101; see also 40 C.F.R. § 1068.30 (defining "manufacturer" to include importers of new engines). On or about July 29, 2010, Wasteland Performance imported into the United States six new multi purpose engines (Subject Engines). These engines were not covered by a COC, and therefore this import constituted a violation of 40 C.F.R. § 1068.101(a)(1).

Wasteland Performance claimed two exemptions from the COC requirement on its EPA Form 3520-21. However, neither exemption applies in this case. First, the "identical configuration" exemption does not apply because Wasteland Performance neither owned the engines for at least 6 months prior to importation nor agreed to not sell them for 5 years after importation. 40 C.F.R. § 1068.315(h)(1). Second, the "partially completed engine" exemption does not apply because emission standards apply to the subject engines and Wasteland Performance does not have a COC or exemption of any kind and the engines were not destined to any other secondary manufacturers who possess a COC. 40 C.F.R. §§ 1068.262(j)(3), 1068.325(g). Note, the "replacement engine" exemption also does not apply because Wasteland Performance does not hold a COC. 40 C.F.R. § 1068.315(c).

In sum, the Subject Engines are not covered by a COC and no exemptions to the COC requirement exist on the facts of this case. Therefore, the import of the subject engines constituted six violations of the Clean Air Act and its implementing regulations.

| Equipment Description Snow HO 3.2 Liberty Engines | | Engine Family None | Manufacturer Weber Motor | Model Year | Quantity 6 | |
|--|----------|--------------------------|---|------------------------|------------|--|
| | | | | 2010 | | |
| | | Table 3 - Penalty a | and Required Remediat | ion | | |
| Penalty | \$1,200 | | | | | |
| Required Remediation | U.S. ter | ritories all 6 engines i | destroy or export to a comported in this entry. Praction report required by | ovide proof of destruc | tion or | |