


Enclosure
CLEAN AIR ACT MOBILE SOURCE EXPEDITED SETTLEMENT AGREEMENT

DOCKET NO. CAA-14-8139

Respondent: Nan Fang Distribution Group, Inc.
2100 Williams Street
San Leandro, CA 94577

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 to 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 \$17,500, 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, Director, Air Enforcement Division

Date: 10/7/2014

APPROVED BY RESPONDENT:

Name (print): PATRICK POON

Title (print): G. Manager

Signature: 

Date: Nov. 18, 2014

RATIFIED BY EPA:


for Phillip A. Brooks, Director, Air Enforcement Division

Date: Nov 20 2014

Table 1 - Inspection Information

Entry/Inspection Date(s):		Docket Number:	
June 7 and November 11, 2012 /November 19, 2012		C A A - 1 4 - 8 1 3 9	
Inspection Location:		Entry/Inspection Number(s)	
Nan Fang Distribution Group, Inc.		1 1 2 - 7 9 8 0 8 0 1 - 3	
Address:		Inspector(s) Name(s):	
2100 Williams Street		1 1 2 - 0 3 1 0 6 6 6 - 7	
City:		EPA Approving Official:	
San Leandro		Phillip A. Brooks	
State:	Zip Code:	EPA Enforcement Contact:	
CA	94577	Janice Chan (R9), (415) 972-3308	
Respondent:			
Nan Fang Distribution Group, Inc.			

Table 2 - Description of Violation and Vehicles/Engines

The compression-ignition engines described below (the Subject Engines) are regulated by 40 C.F.R. Part 1068 and were found to be uncertified engines in violation of Title II of the Clean Air Act (CAA). It is a violation of sections 203(a)(1) and 213(d) of the CAA, 42 U.S.C. §§ 7522(a)(1) and 7547(d), for any person to import an engine subject to regulation unless such engine is covered by a Certificate of Conformity (COC) issued by EPA. The Subject Engines were imported by Nan Fang Distribution Group, Inc. (Nan Fang) in 2012 as engine parts. However, the Subject Engines had installed crankshafts and are engines as defined by 40 C.F.R. § 1068.30. The EPA has determined that the Subject Engines are not covered by a valid COC, and are neither exempt nor excluded from requiring coverage of a COC. The Subject Engines' model year (MY) is the year of import, as defined by 40 C.F.R. § 1068.30. Thus, the Subject Engines require a COC for MY 2012. Additionally, the Subject Engines lacked the required Emission Control Information (ECI) labels. Since the Subject Engines are not covered by a valid MY 2012 COC, Nan Fang imported the Subject Engines in violation of 40 C.F.R. §§ 1068.101(a)(1) and (b)(5). Thus, Nan Fang committed 26 violations of CAA §§ 203(a)(1) and 213(d), 42 U.S.C. §§ 7522(a)(1) and 7547.

Equipment Description	Model Engines	Manufacturer	Model Year	Entry Date	Quantity
Compression-ignition engines	6CT	Cummins Inc.	2012	November 11, 2012	2
	6BT				10
	4BT				3
	C0029	Shanghai Diesel Engine Co.		June 7, 2012	11

Table 3 - Penalty and Required Remediation

Penalty	\$17,500
Required Remediation	Nan Fang must export all MY 2012 6CT, 6BT, 4BT, and C0029 engine models in its inventory to a country other than Canada or Mexico, and provide the EPA with a report documenting the exportation, or a report proving that it has no MY 2012 6CT, 6BT, 4BT, and C0029 engines in its inventory.