

**BEFORE THE
U.S. DEPARTMENT OF ENERGY
Washington, D.C. 20585**

In the Matter of:)
)
)
US, Inc.) Case Number: 2016-CE-42033
(commercial refrigerators, refrigerator-freezers,)
and freezers))

NOTICE OF PROPOSED CIVIL PENALTY

Date issued: October 5, 2016

Number of alleged violations: 1,095 (3 basic models, 365 days each)

Maximum possible assessment: **\$ 474,135**

Proposed civil penalty: **\$ 109,500**

The U.S. Department of Energy (“DOE”) Office of the General Counsel, Office of Enforcement, alleges that US, Inc. (d/b/a US Refrigeration) has violated certain provisions of the Energy Policy and Conservation Act, 42 U.S.C. § 6291 *et seq.* (“the Act”), and 10 C.F.R. § 429.12.

Specifically, DOE alleges:

1. US, Inc. has manufactured¹ commercial refrigeration equipment, including but not limited to, US Refrigeration brand basic models UM-24G, UMT-48, and UUC-27F.
2. US, Inc. has distributed US Refrigeration brand basic models UM-24G, UMT-48, and UUC-27F in commerce in the U.S. for at least 365 days.
3. US, Inc. failed to submit a certification report for US Refrigeration brand basic models UM-24G, UMT-48, and UUC-27F before distributing these basic models in commerce in the U.S., as required by 10 C.F.R. §§ 429.12 and 429.42.

Commercial refrigerators, refrigerator-freezers, and freezers (“commercial refrigeration equipment”) are covered equipment subject to energy conservation standards set forth at 42 U.S.C. § 6313(c). *See* 42 U.S.C. § 6311(1)(E); 10 C.F.R. § 431.66.

Before distributing in commerce any basic model of a covered product or covered equipment subject to an applicable energy conservation standard, and annually thereafter, manufacturers shall submit a certification report to DOE certifying that each basic model meets the applicable energy conservation standard(s). 10 C.F.R. § 429.12(a).

¹ “Manufacture” means to manufacture, produce, assemble, or import. 42 U.S.C. § 6291(10).

Failure to submit a certification report for each basic model of covered equipment as required by 10 C.F.R. Part 429 is a prohibited act pursuant to 10 C.F.R. § 429.102(a)(1), and subject to civil penalties as described in 10 C.F.R. § 429.120.

The following information is provided in question and answer format to help explain US, Inc.'s legal obligations and options.

What do I do now?

DOE is offering a settlement of **\$8,000** if you submit the signed Compromise Agreement within thirty (30) calendar days of the date of this Notice. As part of that settlement, you must pay the fine within thirty (30) calendar days after DOE issues an order adopting the Agreement (“Adopting Order”) and within sixty (60) calendar days of the date of the Adopting Order properly certify all models that you manufacture and distribute in commerce in the U.S. If you do not submit the required certification documents within sixty (60) calendar days of the date of the Adopting Order, you will be subject to the maximum penalty of \$433 per day per basic model for every day you did not certify each basic model.

You may settle the case for **\$16,000** if you submit the signed compromise agreement between 31 and 60 calendar days after the date of this Notice. As part of that settlement, you must pay the fine within thirty (30) calendar days of the date of the Adopting Order and within sixty (60) calendar days of the date of the Adopting Order properly certify all models that you manufacture and distribute in commerce in the United States. If you do not submit the required certification documents within 60 calendar days of the date of the Adopting Order, you will be subject to the maximum penalty of \$433 per day per basic model for every day you do not certify each basic model.

If you do not choose to settle the case, DOE may seek the **maximum penalty (\$474,135)** authorized by law. You have other options as described below.

What are my other options?

If you do **not** agree to DOE’s settlement offer, then you must select Option 1 or Option 2 below within thirty (30) calendar days of the date of this Notice.

Option 1: You may elect to have DOE issue an order assessing a civil penalty. Failure to pay the assessed penalty within sixty (60) calendar days of the order assessing such penalty will result in referral of the case to a U.S. District Court for an order affirming the assessment of the civil penalty. The District Court has the authority to review the law and the facts de novo.

Option 2: You may elect to have DOE refer this matter to an Administrative Law Judge (ALJ) for an agency hearing on the record. Upon a finding of violation by the ALJ, DOE will issue an order assessing a civil penalty. This order may be appealed to the appropriate U.S. Court of Appeals.

When must I respond?

You must submit a signed compromise agreement within thirty (30) calendar days of the date of this Notice to pay the amount indicated in the Compromise Agreement (**\$8,000**). If you do not wish to settle AND you wish to choose Option 1 as described above, you must notify DOE within thirty (30) calendar days of the date of this Notice. Otherwise, if you do not settle the case, DOE will refer to the case to an ALJ as described in Option 2.

How should I submit my response?

To assure timely receipt, DOE strongly encourages you to submit your response by e-mail. DOE accepts scanned images of signed documents (such as PDFs). Responses may be sent by any of the following methods:

By email to: Smitha.Vemuri@hq.doe.gov

By fax to: (202) 586-3274

By mail to: Smitha Vemuri
U.S. Department of Energy
Office of the General Counsel (GC-32)
1000 Independence Ave., SW
Washington, DC 20585

What happens if I fail to respond?

If you fail to respond within thirty (30) calendar days of the date of this Notice, or by the time of any extension granted by DOE, DOE will refer the case to an ALJ for a full administrative hearing (Option 2, above).

What should I include in my response?

- 1) If you wish to accept DOE's settlement offer, you should submit the signed Compromise Agreement (which is enclosed). If you do not wish to accept DOE's settlement offer, you should specify if you wish to elect Option 1; otherwise, DOE will proceed with Option 2, as described above.
- 2) Provide your Taxpayer Identification Number (TIN). The Debt Collection Improvement Act requires all federal agencies to obtain the TIN in any case that may give rise to a debt to the government.

How did you calculate the maximum possible assessment?

Federal law sets a maximum civil penalty for each day you fail to submit to DOE the required information for covered equipment. By regulation, you must submit a certification report for each basic model. Therefore, your maximum penalty is calculated based on each day you distributed each basic model in commerce in the U.S. without having submitted a valid certification report. The maximum penalty in this Notice is based on the distribution in commerce of each basic model for at least 365 days. The maximum penalty is \$433 per basic model per day. 10 C.F.R. § 429.120.

Issued by:

_____/S/_____

Laura L. Barhydt
Assistant General Counsel for
Enforcement