CONSUMER PRODUCT SAFETY COMMISSION
[CPSC Docket No. 17–C0003]
The Middleby Corporation and Viking Range LLC, Provisional Acceptance of a Settlement Agreement and Order

AGENCY: Consumer Product Safety Commission.

ACTION: Notice.

SUMMARY: It is the policy of the Commission to publish settlements which it provisionally accepts under the Consumer Product Safety Act in the Federal Register in accordance with the requirements of military commissions and in exchanges and in accordance with the Code of Federal Regulations, 41 CFR 51–6.4

Mandatory Source(s) of Supply: LC Industries, Inc., Durham, NC

Contracting Activity: Defense Commissary Agency, Fort Lee, VA

Distribution: C-List

Mandatory Source(s) of Supply:

- 3920–00–NIB–0001—Hand Truck, 48” H x 22” W, 8” Solid Rubber Wheels
- 3920–00–NIB–0002—Hand Truck, 45” H x 18” W, 10” Solid Rubber Wheels
- 3920–00–NIB–0003—Hand Truck, Economy, 40” H x 18” W, 8” Zero-Pressure Rubber Tires
- 3920–00–NIB–0004—Hand Truck, Double Handle, 48” H x 22” W, 10” Pneumatic Tires
- 3920–00–NIB–0005—Hand Truck, Convertible, 48” H x 22” W, 10” Pneumatic Tires with Wheel Guards

Total Government Requirement

Mandatory Source(s) of Supply: Envision Industries Inc., Wichita, KS

Contracting Activity: Defense Logistics Agency Troop Support

Distribution: B-List

Mandatory Source(s) of Supply:

- 8920–00–SAM–0169—Super Cereal Plus

Mandatory Source(s) of Supply: Transylvania Vocational Services Inc., Brevard, NC

Contracting Activity: Farm Service Agency, IPD Packaged, Kansas City, MO

Distribution: C-List

Service Type: Custodial Service

Mandatory Source(s) of Supply: Didlake, Inc., Manassas, VA

Contracting Activity: Consumer Financial Protection Bureau

Billings Code 6353–01–P

1 The Commission voted (4–1) to provisionally accept the Settlement Agreement and Order regarding The Middleby Corporation and Viking Range, LLC, Commissioner Kaye, Commissioner Adler, Commissioner Robinson and Commissioner Mohorovic voted to provisionally accept the Settlement Agreement and Order. Acting Chairman Rueckle voted to take other action as follows: Provisionally accept the attached Settlement Agreement and Order with an amendment so as to reduce the penalty amount to $2.0 million.

In the Matter of:
THE MIDDLEBY CORPORATION
and
VIKING RANGE, LLC

CPSC Docket No.: 17–C0003

SETTLEMENT AGREEMENT


THE PARTIES

2. The Commission is an independent federal regulatory agency, established pursuant to, and responsible for, the enforcement of the CPSA, 15 U.S.C. 2051–2089. By executing the Agreement, staff is acting on behalf of the Commission, pursuant to 16 CFR 1111.20(b). The Commission issues the Order under the provisions of the CPSA.

3. Viking Range, LLC is a company, organized and existing under the laws of the state of Delaware, with its principal place of business in Greenwood, MS.

4. Viking Range, LLC is a wholly owned subsidiary of The Middleby Corporation, a corporation, organized and existing under the laws of the state of Delaware, with its principal place of business in Elgin, IL. The Middleby Corporation acquired Viking from its former shareholders on December 31, 2012. With respect to all conduct occurring after December 31, 2012, as well as all ongoing commitments, the term “Viking” used herein refers both to The Middleby Corporation and Viking Range, LLC.

STAFF CHARGES

5. Between July 2007 and July 2014, Viking manufactured and offered for sale in the United States approximately 52,000 freestanding 30", 36", 48” and 60” Gas Ranges under the model families VGIC, VGCC, VGSC (“Ranges”).

6. The Ranges are a “consumer product,” “distribut[ed] in commerce,” as those terms are defined or used in sections 3(a)(5) and (8) of the CPSA, 15 U.S.C. 2052(a)(5) and (8). Viking is a “manufacturer” of the Ranges, as such term is defined in section 3(a)(11) of the CPSA, 15 U.S.C. 2052(a)(11).

7. The Ranges contain a defect which could create a substantial product hazard and create an unreasonable risk of serious injury because the Ranges can turn on spontaneously and cannot be...
turned off using the control knobs, resulting in extreme surface temperatures that pose a burn hazard to consumers.

8. Between June 2008 and July 2014, Viking received 170 incident reports of Ranges turning on spontaneously, including reports from two consumers who were unable to turn off one of the Ranges using the controls and were then burned while attempting to disconnect the power source. Viking also received five reports that the Ranges had spontaneously turned on and caused property damage to the surrounding areas, such as the backsplash. Several consumers called 911 for assistance when they discovered that the Ranges had spontaneously turned on and could not be turned off or disconnected.

9. After receiving a number of reports related to the Ranges, Viking collected and tested Ranges, and developed a repair for the Ranges. Viking also issued numerous engineering change orders and technical bulletins identifying the defect and providing instructions on how to conduct the repair.

10. Despite having information reasonably supporting the conclusion that the Ranges contained a defect which could create a substantial product hazard and create an unreasonable risk of serious injury or death, Viking did not notify the Commission immediately of such defect or risk, as required by sections 15(b)(3) and (4) of the CPSA, 15 U.S.C. 2064(b)(3) and (4), in violation of section 19(a)(4) of the CPSA, 15 U.S.C. 2068(a)(4). Instead, Viking waited until July 2, 2014, to file a Full Report with the Commission under 15 U.S.C. 2064(b).


RESPONSE OF VIKING

14. Viking’s settlement of this matter does not constitute an admission of staff’s charges set forth in paragraphs 5 through 13 above.

15. In July 2014, Viking notified the Commission pursuant to section 15(b) of the CPSA, 15 U.S.C. 2064(b), concerning Viking’s receipt of complaints and incident reports that the Ranges could self-start with the knobs in the off position if a significant amount of liquid from boil-overs, spills, or cleaning leaked inside the Ranges and pooled near the Ranges’ electronic thermostats.

16. In May 2015, in conjunction with the CPSC, Viking voluntarily announced a recall of all models of the Ranges that contained the design defect, regardless of whether Viking had received any complaints or incident reports related to those models.

17. Viking recognizes that product safety is fundamental to sound and ethical business practice, to the integrity of the Viking brand, and to Viking’s responsibility as a producer of quality consumer goods. Since The Middleby Corporation’s acquisition of Viking Range, LLC, Viking has significantly increased its focus on consumer safety, including by implementing a robust Product Safety Compliance Program developed and overseen by The Middleby Corporation to establish, control and verify safe product design and prompt reporting of product safety defects to regulatory authorities.

AGREEMENT OF THE PARTIES

18. Under the CPSA, the Commission has jurisdiction over the matter involving the Ranges and over the parties.

19. The parties enter into the Agreement for settlement purposes only. The Agreement does not constitute an admission by Viking, or a determination by the Commission, that Viking violated the CPSA’s reporting requirements.

20. In settlement of staff’s charges, and to avoid the cost, distraction, delay, uncertainty, and inconvenience of protracted litigation or other proceedings, Viking shall pay a civil penalty in the amount of four million, six hundred and fifty thousand dollars ($4,650,000) within thirty (30) calendar days after receiving service of the Commission’s final Order accepting the Agreement. All payments to be made under the Agreement shall constitute debts owing to the United States and shall be made by electronic wire transfer to the United States via http://www.pay.gov, for allocation to, and credit against, the payment obligations of Viking under this Agreement. Failure to make such payment by the date specified in the Commission’s final Order shall constitute Default.

21. All unpaid amounts, if any, due and owing under the Agreement, shall constitute a debt due and immediately owing by Viking to the United States; and Interest and Default Interest at the rate paid by Viking at the federal legal rate of interest set forth at 28 U.S.C. 1961(a) and (b), from the date of Default, until all amounts due have been paid in full (hereinafter “Default Payment Amount” and “Default Interest Balance”). Viking shall consent to a Consent Judgment in the amount of the Default Payment Amount and Default Interest Balance; and the United States, at its sole option, may collect the entire Default Payment Amount and Default Interest Balance, or exercise any other rights granted by law or in equity, including, but not limited to, referring such matters for private collection; and Viking agrees not to contest, and hereby waives and discharges, any defenses to any collection action undertaken by the United States, or its agents or contractors, pursuant to this paragraph. Viking shall pay the United States all reasonable costs of collection and enforcement under this paragraph, respectively, including reasonable attorney’s fees and expenses.

22. After staff receives this Agreement executed on behalf of Viking, staff shall promptly submit the Agreement to the Commission for provisional acceptance. Promptly following provisional acceptance of the Agreement by the Commission, the Agreement shall be placed on the public record and published in the Federal Register, in accordance with the procedures set forth in 16 C.F.R. 1118.20(e). If the Commission does not receive any written request not to accept the Agreement within fifteen (15) calendar days, the Agreement shall be deemed finally accepted on the 16th calendar day after the date the Agreement is published in the Federal Register, in accordance with 16 C.F.R. 1118.20(f).

23. This Agreement is conditioned upon, and subject to, the Commission’s final acceptance, as set forth above, and it is subject to the provisions of 16 C.F.R. 1118.20(h). Upon the later of: (i) Commission’s final acceptance of this Agreement and service of the accepted Agreement upon Viking, and (ii) the date of issuance of the final Order, this Agreement shall be in full force and effect, and shall be binding upon the parties.

24. Effective upon the later of: (i) the Commission’s final acceptance of the Agreement and service of the accepted Agreement upon Viking, and (ii) the date of issuance of the final Order, for good and valuable consideration, Viking hereby expressly and irrevocably waives and agrees not to assert any past, present, or future rights to the following, in connection with the matter described in this Agreement: (i) an administrative, judicial, or other challenge or contest of the Commission’s actions; (ii) a
determination by the Commission of whether Viking failed to comply with the CPSA and the underlying regulations; (iv) a statement of findings of fact and conclusions of law; and (v) any claims under the Equal Access to Justice Act.  

25. Viking shall maintain a compliance program designed to ensure compliance with the CPSA with respect to any consumer product imported, manufactured, distributed or sold by Viking, and which shall contain the following elements: (i) written standards, policies and procedures, including those designed to ensure that information that may relate to or impact CPSA compliance (including information obtained by quality control personnel) is conveyed effectively to personnel responsible for CPSA compliance, whether or not an injury is referenced; (ii) a mechanism for confidential employee reporting of compliance-related questions or concerns to either a compliance officer or to another senior manager with authority to act as necessary; (iii) effective communication of company compliance-related policies and procedures regarding the CPSA to all imported, manufactured, distributed or sold by Viking, and which shall apply to, and be binding upon, Viking and each of its successors, shall apply to, and be binding upon, Viking and each of its successors, and shall continue to apply to, and be binding upon, Viking and each of its successors, as of the date the Agreement and Order become effective and shall be in effect for a period of five (5) years, and availability of such records to staff upon request; and (vi) a written, standard, policy or procedure designed to ensure that the Firm shall seek to include a provision in any private protective order or settlement that specifically allows for disclosure of relevant consumer product safety information to the Commission and other applicable authorities. 

26. Viking shall maintain and enforce a system of internal controls and procedures designed to ensure that, with respect to all consumer products imported, manufactured, distributed or sold by Viking: (i) information required to be disclosed by Viking to the Commission is recorded, processed and reported in accordance with applicable law; (ii) all reporting made to the Commission is timely, truthful, complete, accurate and in accordance with applicable law; and (iii) prompt disclosure is made to Viking’s management of any significant deficiencies or material weaknesses in the design or operation of such internal controls that are reasonably likely to affect adversely, in any material respect, Viking’s ability to record, process and report to the Commission in accordance with applicable law. 

27. Upon reasonable request of staff, Viking shall provide written documentation of its internal controls and procedures, including, but not limited to, the effective dates of the procedures and improvements thereto. Viking shall cooperate fully and truthfully with staff and shall make available all non-privileged information and materials, and personnel deemed necessary by staff to evaluate Viking’s compliance with the terms of the Agreement. 

28. The parties acknowledge and agree that the Commission may publicize the terms of the Agreement and the Order. 

29. Viking represents that the Agreement: (i) is entered into freely and voluntarily, without any degree of duress or compulsion whatsoever; (ii) has been duly authorized; and (iii) constitutes the valid and binding obligation of Viking, enforceable against Viking in accordance with its terms. Viking will not directly or indirectly receive any reimbursement, indemnification, insurance-related payment, or other payment for the civil penalty to be paid pursuant to the Agreement and Order, except as ordered in Middleby Marshall Inc. v. Carl., No. N15C–10–249 (Del. Super. Ct.), or as memorialized in a written settlement agreement signed by the parties to that case. The individuals signing the Agreement on behalf of Viking represent and warrant that they are duly authorized by Viking to execute the Agreement. 

30. The signatories represent that they are authorized to execute this Agreement. 

31. The Agreement is governed by the laws of the United States. 

32. The Agreement and the Order shall apply to, and be binding upon, Viking and each of its successors, transferees, and assigns; and a violation of the Agreement or Order may subject Viking, and each of its successors, transferees, and assigns, to appropriate legal action. 

33. The Agreement and the Order constitute the complete agreement between the parties on the subject matter contained therein. 

34. The Agreement may be used in interpreting the Order. Understandings, agreements, representations, or interpretations apart from those contained in the Agreement and the Order may not be used to vary or contradict their terms. For purposes of construction, the Agreement shall be deemed to have been drafted by both of the parties and shall not, therefore, be construed against any party, for that reason, in any subsequent dispute. 

35. The Agreement may not be waived, amended, modified, or otherwise altered, except as in accordance with the provisions of 16 C.F.R. 1118.20(h). The Agreement may be executed in counterparts. 

36. If any provision of the Agreement or the Order is held to be illegal, invalid, or unenforceable under present or future laws effective during the terms of the Agreement and the Order, such provision shall be fully severable. The balance of the Agreement and the Order shall remain in full force and effect, unless the Commission and Viking agree in writing that severing the provision materially affects the purpose of the Agreement and the Order. 

(continued on next page)
Settlement Agreement and shall pay a civil penalty in the amount of four million, six hundred and fifty thousand dollars ($4,650,000), within thirty (30) days after service of the Commission's final Order accepting the Settlement Agreement. The payment shall be made by electronic wire transfer to the Commission via: http://www.pay.gov. Upon the failure of Viking to make the foregoing payment when due, interest on the unpaid amount shall accrue and be paid by Viking at the federal legal rate of interest set forth at 28 U.S.C. § 1961(a) and (b). If Viking fails to make such payment or to comply in full with any other provision of the Settlement Agreement, such conduct will be considered a violation of the Settlement Agreement and Order. Provisionally accepted and provisional Order issued on the 11th day of April, 2017.

BY ORDER OF THE COMMISSION:

Todd A. Stevenson, Secretary
U.S. Consumer Product Safety Commission

[FR Doc. 2017–07557 Filed 4–13–17; 8:45 am]
BILLING CODE 6355–01–P

DEPARTMENT OF DEFENSE

Department of the Army

Army Science Board Closed Meeting Notice

AGENCY: Department of the Army, DoD.
ACTION: Notice of a closed meeting.
SUMMARY: Pursuant to the Federal Advisory Committee Act of 1972, the Government in the Sunshine Act of 1976 and the Code of Federal Regulations, the Department of the Army announces the following committee meeting: Army Science Board (ASB) Spring Voting Session.
FOR FURTHER INFORMATION CONTACT: Army Science Board, Designated Federal Officer, 2530 Crystal Drive, Suite 7098, Arlington, VA 22202; MAJ Sean M. Madden, the committee’s Designated Federal Officer (DFO), at (703) 545–8652 or email: sean.m.madden.mil@mail.mil, or Mr. Paul Woodward at (703) 695–8344 or email: paul.j.woodward.2.civ@mail.mil.

Public’s Accessibility to the Meeting: The Department of the Army has determined that the closed meeting is properly closed in accordance with 5 U.S.C. 552b(c)(1), which permits Federal Advisory Committee meetings to be closed which are likely to “disclose matters that are (A) specifically authorized under criteria established by an Executive Order to be kept secret in the interest of national defense or foreign policy and (B) in fact properly classified pursuant to such Executive Order.”

SUPPLEMENTARY INFORMATION: (Filing Written Statement) Pursuant to 41 CFR 102–3.140d, the Committee is not obligated to allow the public to speak; however, interested persons may submit a written statement for consideration by the Subcommittees. Individuals submitting a written statement must submit their statement to the DFO at the address listed above. Written statements not received at least 10 calendar days prior to the meeting may not be considered by the Board prior to its scheduled meeting.

The DFO will review all timely submissions with the Board’s executive committee and ensure they are provided to the specific study members as necessary before, during, or after the meeting. After reviewing written comments, the study chairs and the DFO may choose to invite the submitter of the comments to orally present their issue during a future open meeting.

The DFO, in consultation with the executive committee, may allot a specific amount of time for members of the public to present their issues for discussion.

Name of Committee: Army Science Board (ASB) Spring Voting Session.
Date: Tuesday, May 02, 2017.
Time: 0900–1100.
Location: Georgia Technology Research Institute Conference Center, 250 14th St. NW., Room 112, Atlanta, GA 30318.
Purpose of Meeting: The purpose of the meeting is for all members of the ASB and its subcommittees to meet and present one of six Fiscal Year 2016 (FY16) studies and present one of five Fiscal Year 2017 (FY17) studies to the voting members for their consideration, deliberation, and vote.

Agenda: The board will present findings and recommendations for deliberation and vote on the following FY16 and FY17 studies:
“Disruptive Innovative Concepts for the Future Army.” This study offers innovative concepts and enabling technologies for the future Army. The concepts are consistent with the findings and recommendations of Unified Quest exercises, according with Army Warfighting challenges and address future threats. This is an ongoing FY16 study that incorporates the findings and recommendations from five other FY16 ASB studies.
“Nuclear Survivability in Future Warfare: How to Effectively Assess Requirements.” The objective of this FY17 study is to analyze Nuclear Hardness and Survivability (NH&S) requirements and to assess the best methods to verify these requirements.

Brenda S. Bowen,
Army Federal Register Liaison Officer.
[FR Doc. 2017–07570 Filed 4–13–17; 8:45 am]
BILLING CODE 5001–03–P

DEPARTMENT OF DEFENSE

Office of the Secretary

Board of Regents, Uniformed Services University of the Health Sciences; Notice of Federal Advisory Committee Meeting

AGENCY: Under Secretary of Defense for Personnel and Readiness, Department of Defense.
ACTION: Notice of Federal Advisory Committee meeting.
SUMMARY: The Department of Defense is publishing this notice to announce that the following Federal Advisory Committee meeting of the Board of Regents, Uniformed Services University of the Health Sciences will take place.
DATES: Open to the public, Friday, May 19, 2017 from 8:00 a.m. to 10:15 a.m. Closed to the public, Friday, May 19, 2017 from 10:25 a.m. to 10:55 a.m.
ADDRESSES: Uniformed Services University of the Health Sciences, 4301 Jones Bridge Road, Everett Alvarez Jr. Board of Regents Room (D3001), Bethesda, Maryland 20814.
FOR FURTHER INFORMATION CONTACT: Jennifer Nuetzi James, 301–295–3066 (Voice), 301–295–1960 (Facsimile), jennifer.nuetzi-james@usuhs.edu (Email). Mailing address is 4301 Jones Bridge Road, A1020, Bethesda, Maryland 20814. Web site: https://www.usuhs.edu/vpe/bor. The most up-to-date changes to the meeting agenda can be found on the Web site.
SUPPLEMENTARY INFORMATION: This meeting is being held under the provisions of the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended), the Government in the Sunshine Act of 1976 (5 U.S.C. 552b, as amended), and 41 CFR 102–3.140 and 102–3.150. Pursuant to 5 U.S.C. 552b(c)(2, 5–7), the Department of Defense has determined that the portion of the meeting from 10:25 a.m. to 10:55 a.m. shall be closed to the public. The Under Secretary of Defense (Personnel and Readiness), in consultation with the Office of the Department of Defense General Counsel, has determined in