

**U.S. ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C.**

	)	
<b>In the Matter of:</b>	)	<b>ADMINISTRATIVE</b>
	)	<b>SETTLEMENT AGREEMENT</b>
	)	<b>AND AUDIT POLICY</b>
<b>HYUNDAI MOTOR COMPANY</b>	)	<b>DETERMINATION</b>
	)	
	)	<b>AED/MSEB #7951</b>
	)	
<b>Respondent.</b>	)	
	)	

This Administrative Settlement Agreement (Agreement) is made and entered into by and between the United States Environmental Protection Agency (EPA) and Hyundai Motor Company (Respondent). The Respondent's U.S. agent is identified as Hyundai-Kia America Technical Center, Inc. (Agent) with its principal place of business at 6800 Geddes Road, Superior Township, MI 48198.

**Respondent**

1. Respondent manufactures, markets, develops and distributes motor vehicles, and Respondent is the certificate holder for each motor vehicle model listed on Exhibit 1 (the Subject Vehicle Models).

**Purpose**

2. The purpose of this Agreement is to resolve Respondent's violations of Section 203(a) of the Clean Air Act (CAA), 42 U.S.C. § 7522(a), and the highway vehicle and engine regulations at 40 C.F.R. Part 86.

**Statutory Authority**

3. Section 203(a)(1) of the CAA, 42 U.S.C. § 7522(a), prohibits a manufacturer of a new motor vehicle or new motor vehicle engine from distributing into commerce, selling, offering for sale, introducing into commerce, or importing a new vehicle manufactured after the effective date of regulations applicable to such vehicle, unless such vehicle is covered by an EPA-issued certificate of conformity.
4. Section 203(a)(2) of the CAA, 42 U.S.C. § 7522(a)(2), prohibits any person from failing to provide information required under § 208 of the CAA, 42 U.S.C. § 7542, and prohibits any person from failing to perform required tests.
5. Section 208 of the CAA, 42 U.S.C. § 7542, requires manufacturers of new motor vehicles to provide information to EPA in order for EPA to determine compliance with the CAA.
6. Section 205(a) of the CAA, 42 U.S.C. § 7524(a), subjects any person who violates § 203(a)(1) of the CAA to a civil penalty for each motor vehicle or engine violation. Section 205(a) of the CAA, 42 U.S.C. § 7524(a), subjects any person who violates § 203(a)(2) of the CAA to a per diem civil penalty for each violation. The maximum civil penalty applicable to the alleged violations is \$37,500 per vehicle or engine, or per day for violations of § 203(a)(2) of the CAA, based on the Federal Civil Penalties

Inflation Adjustment Act, 28 U.S.C. § 2461, and the applicable regulations, 40 C.F.R. § 19.4, adjusting the statutory penalty of \$25,000 to \$37,500 for violations committed between March 15, 2004 and January 12, 2009. These dates are relevant to the subject violations, which occurred in 2001 – 2011.

7. Section 216 of the CAA, 42 U.S.C. § 7550(1), defines the term “manufacturer” as any person engaged in the manufacturing or assembling of new motor vehicles, new motor vehicle engines, new nonroad vehicles, or new nonroad engines, or in importing such vehicles or engines for resale, or as any person who acts for and is under the control of any such person in connection with the distribution of new motor vehicles, new motor vehicle engines, new nonroad vehicles or new nonroad engines, but shall not include any dealer with respect to new motor vehicles, new motor vehicle engines, new nonroad vehicles or new nonroad engines received by him in commerce.
8. Respondent is a manufacturer of motor vehicles.
9. Section 216 of the CAA, 42 U.S.C. § 7550(2), defines the term “motor vehicle” as any self-propelled vehicle designed for transporting persons or property on a street or highway.

#### **Regulatory Authority**

10. 40 C.F.R. § 86.1801-1 extends coverage of the General Compliance Provisions for Control of Air Pollution From New and In-Use Light-Duty Vehicles, Light Duty Trucks and Complete Otto-Cycle Heavy Duty Vehicles (Subpart S) to 2001 or later model year motor vehicles.

11. 40 C.F.R. § 86.1835 (the Confirmatory Testing Regulations) requires manufacturers of new motor vehicles to perform certification and fuel economy confirmatory testing at their own facilities when certain criteria are met.

### **Violations**

12. Respondent failed to perform the required confirmatory testing for each of the Subject Vehicle Models.
13. Respondent is liable for 92 separate violations of Section 203(a) of the CAA, 42 U.S.C. § 7522(a), for failing to perform the required confirmatory testing for the Subject Vehicle Models for all reasons disclosed by Respondent and summarized above in Paragraphs 1 through 12.

### **Civil Penalty**

14. For the disclosed violations of the CAA and the regulations promulgated thereunder at 40 C.F.R. Part 86 arising from failing to perform required testing of the Subject Vehicle Models, Respondent shall pay to the United States a total of \$210,000 within 30 days of the date of the Effective Date of this Agreement. Late payment of the civil penalty is subject to interest and fees as specified in 31 U.S.C. § 3717 plus the stipulated penalties as specified in Paragraphs 17 and 18 of this Agreement. Respondent agrees to pay the amount by certified check or cashier's check payable to the "United States of America," and to mail the payment to:

U.S. Environmental Protection Agency  
Fines and Penalties  
Cincinnati Finance Center  
P.O. Box 979077  
St. Louis, MO 63197-9000  
ATTN: AED/MSEB # 7951

Respondent may also pay online at [www.pay.gov](http://www.pay.gov). From the "Search Public Form" field, enter "SFO 1.1," click "EPA Miscellaneous Payments - Cincinnati Finance Center," and complete the "SFO Form Number 1.1."

### **Injunctive Relief**

15. For all new model year 2013 test vehicles and new model year 2014 test vehicles, Respondent, pursuant to the Confirmatory Testing Regulations, shall perform manufacturer-conducted confirmatory testing for all official Federal Test Procedure (FTP) and highway tests conducted by Respondent for the purposes of EPA-certification, fuel economy (FE) labeling corporate average fuel economy (CAFE). Respondent shall perform such manufacturer-conducted confirmatory testing regardless of whether the conditions specified in 40 CFR 86.1835-01(b)(i) – (b)(iv) are satisfied. Respondent shall also:
  - (a) provide documentary evidence to EPA that it has completed such testing in accordance with the reporting requirements of the Confirmatory Testing Regulations;
  - (b) submit to EPA a separate report identifying any instances in which any engine or vehicle does not pass a confirmatory test; and

- (c) provide to EPA annual reports at the end of model year 2013 and model year 2014 that provide descriptions of (1) all FTP and highway tests conducted and (2) all confirmatory tests conducted.

**Notice**

- 16. A copy of the payment check(s) and the transmittal letter(s) shall be faxed to Robert G. Polin at (202) 564-0015 no later than 24 hours after mailing the payment. All correspondence to EPA concerning this Agreement shall be sent to:

**Regular Mail**

Robert G. Polin  
U.S. Environmental Protection Agency  
Mail Code 2242A  
1200 Pennsylvania Avenue, N.W.  
Washington, DC 20460  
Attn: AED/MSEB-7951

**Courier Service**

Robert G. Polin  
U.S. Environmental Protection Agency  
Ariel Rios South, Room 1117A  
1200 Pennsylvania Avenue, N.W.  
Washington, DC 20004  
Attn: AED/MSEB-7951

**Stipulated Penalties**

- 17. (a) Respondent must pay a penalty of \$1,000 per day for failure to timely pay the penalty pursuant to Paragraph 14 of this Agreement or provide proof thereof pursuant to Paragraph 16 of this Agreement.
- (b) Respondent must pay a penalty of \$20,000 for each failure to timely perform a confirmatory test pursuant to Paragraph 15 of this Agreement.
- 18. Stipulated penalties under Paragraph 17 of this Agreement shall begin to accrue on the day after performance is due and shall continue to accrue until the day compliance is

achieved. Stipulated penalties shall be paid in accordance with Paragraph 14 of this Agreement. In addition, a copy of the transmittal letter(s) and check(s) shall be sent to Robert G. Polin at the address specified in Paragraph 16 of this Agreement.

### **General Provisions**

19. This Agreement becomes effective upon the date executed by EPA (Effective Date of the Agreement), at which time an electronic copy will be returned to Respondent.
20. Respondent hereby represents that the individual or individuals executing this Agreement on behalf of Respondent is authorized to do so on behalf of Respondent and that such execution is intended and is sufficient to bind Respondent and its agents, assigns, and successors.
21. Notwithstanding any other provision of this Agreement, upon Respondent's failure to perform, or default, or failure to comply with any term of this Agreement, EPA may refer this matter to the United States Department of Justice to recover civil penalties pursuant to Section 205 of the CAA, 42 U.S.C. § 7524, commence an action to enforce this Agreement, recover the civil penalty pursuant to Section 205 of the CAA, or pursue any other remedies available to it. Respondent specifically agrees that in the event of such default or failure to comply, EPA may proceed in an action based on the original claim of violations of the CAA and 40 C.F.R. Parts 86. Respondent expressly waives its right to assert that such action is barred by 28 U.S.C. § 2462, any applicable statute of limitation, or other provisions limiting actions as a result of passage of time. Respondent

acknowledges that its tax identification number may be used for collecting or reporting any delinquent monetary obligation arising from this Agreement. *See* 31 U.S.C. § 7701.

22. Respondent waives its rights, if any, to a hearing, trial or any other proceeding on any issue of fact or law relating to the matters agreed to herein.
23. The validity, enforceability, and construction of all matters pertaining to this Agreement shall be determined in accordance with applicable federal law.
24. This settlement is conditioned upon the truthfulness, accuracy and completeness of Respondent's disclosures and representations to EPA under this Agreement and the prompt and complete remediation of any violations in accordance with this Agreement.



**Effect of Agreement**

25. Upon completion of the terms of this Agreement, the violations described in this Agreement shall be deemed resolved by EPA. Nothing herein shall limit the right of EPA to proceed against Respondent in the event of default or noncompliance with this Agreement, or for other violations of law, or with respect to other matters not within the scope of the Agreement. This Agreement in no way affects or relieves Respondent of responsibility to comply with other state, federal or local laws or regulations.

The following agree to the terms of this Agreement:

*Settlement Agreement*

*In the Matter of Hyundai Motor Company AED/MSEB – 7951*

**Hyundai Motor Company**, a company organized under the laws of Republic of South Korea

By: *Seonghyon Park*

Date: *Dec. 13, 2011*


Typed name: SEONG HYON PARK

Typed title: President of Powertrain R&D Center

*Settlement Agreement*

*In the Matter of Hyundai Motor Company AED/MSEB -7951*

**United States Environmental Protection Agency**

By   
✓ Phillip A. Brooks, Director  
Air Enforcement Division

Date: 1/10/12

## Exhibit 1 - Subject Vehicle Models

	MODEL NAME	TEST GROUP	ENGINE	Vehicle	Vehicle ID
1	SANTA FE	1HYXT02.4S3S	ASL4-S	SM 2.4 2WD AT	SIU23A
2	SANTA FE	1HYXT02.4S3S	ASM5-S	SM 2.4 2WD MT	SIU22A
3	SANTA FE	1HYXT02.7M3S	ASL4-M	SM 2.7 2WD AT	SIU71A
4	ACCENT	1HYXV01.6B3S	ASL4-C2	LC 1.6 AT	XDIU03A
5	ACCENT	1HYXV01.6B3S	ASM5-C2	LC 1.6 MT	XDIU04A
6	ELANTRA	1HYXV02.0X3F	AFL4-L2	XD 2.0 AT	J1BOF49A
7	SONATA	2HYXV02.4ELS	ASM5-E1	EF 2.4 MT	F2T4U02A
8	SONATA	2HYXV02.4ELS	ASL4-E1	EF 2.4 AT	F2T4U03A
9	SANTA FE	2HYXT02.4SLS	ASM5-S	SM 2.4 2WD MT	SIU22A
10	SANTA FE	2HYXT02.4SLS	ASM5-S	SM 2.4 2WD AT	SIU23A
11	SANTA FE	2HYXT02.7MLS	ASL4-M	SM 2.7 2WD AT	SIU71A
12	SANTA FE	2HYXT02.7MLS	ASL4-M	SM 2.7 4WD AT	SIU69A
13	ACCENT	5HYXV01.5AL9	ACL4-L2	LC 1.5 AT	P2G016
14	ACCENT	5HYXV01.6BL9	ASM5-C2	LC 1.6 MT	P2G025
15	ACCENT	5HYXV01.6BL9	ASL4-C2	LC 1.6 AT	P2G024
16	SONATA	3HYXV02.4ELS	ASL4-E1	EF 2.4 AT(D-mode)	F2T4U03A
17	SONATA	3HYXV02.4ELS	ASL4-E1	EF 2.4 AT(S-mode)	F2T4U03A
18	SANTA FE	3HYXT02.4SLS	ASL4-S	SM 2.4 2WD AT(D-mode)	S1U23A
19	SANTA FE	3HYXT02.4SLS	ASL4-S	SM 2.4 2WD AT(S-mode)	S1U23A
20	SANTA FE	3HYXT02.7MLS	ASL4-M	SM 2.7 2WD AT(D-mode)	S3U51A
21	SANTA FE	3HYXT02.7MLS	ASL4-M	SM 2.7 2WD AT(S-mode)	S3U51A
22	SANTA FE	3HYXT02.7MLS	ASL4-M	SM 2.7 4WD AT(D-mode)	S3U57A
23	SANTA FE	3HYXT02.7MLS	ASL4-M	SM 2.7 4WD AT(S-mode)	S3U57A
24	SANTA FE	3HYXT03.5SLS	ASL5-S	SM 3.5 2WD AT(D-mode)	SMP1G008
25	ACCENT	4HYXV01.5AL9	ACL4-L2	LC 1.5 AT	X0U11A
26	ACCENT	4HYXV01.6BL9	ASL4-C2	LC 1.6 AT	XD1U03A
27	ELANTRA	4HYXV02.0XPC	ACL4-Q3	XD 2.0 AT SULEV	J3B0C53A
28	SONATA	5HYXV02.4EL9	ASM5-E1	EF 2.4 MT	F2T4U02A
29	SONATA	5HYXV02.4EL9	ASL4-E1	EF 2.4 AT FE(D-mode)	F2T4U03A ('01)
30	ELANTRA	5HYXV02.0XW4	ASL4-D	XD 2.0 AT 4DR	J4B0F45A
31	ELANTRA	5HYXV02.0XW4	ASM5-D	XD 2.0 MT 4DR	J4B0F46A
32	ELANTRA	5HYXV02.0XW4	ASM5-D	XD 2.0 MT 5DR	J4B0F52A
33	TUCSON	5HYXT02.0JU9	G4GC	JM 2.0 2WD AT(D-mode)	JM5B0C33A
34	TUCSON	5HYXT02.0JU9	G4GC	JM 2.0 2WD MT	JM5B0C34B
35	TUCSON	5HYXT02.0JV9	G4GC	JM 2.0 4WD MT	JM5B0C34A
36	TUCSON	5HYXT02.7JM5	G6BA	JM 2.7 4WD AT(D-mode)	JM5E7U27A
37	TUCSON	5HYXT02.7JM5	G6BA	JM 2.7 2WD AT(D-mode)	JM5E7U49A
38	SANTA FE	5HYXT02.7SM5	G6BA4LSS	SM 2.7 2WD	SM5E7U05B
39	SANTA FE	5HYXT02.7SM5	G6BAFLSS	SM 2.7 4WD	SM5E7U01A
40	SANTA FE	5HYXT03.5MM5	G6AU5LMS	SM 3.5 2WD	SM5K3U01A
41	SANTA FE	5HYXT03.5MM5	G6AUFLMS	SM 3.5 4WD	SM5K3U05A
42	ACCENT	6HYXV01.6MW5	G4ED5MMS	MC 1.6 MT	MC6D6U10B
43	SONATA	6HYXV02.4NW5	G4KC4LNS	NF 2.4 AT	NF6F4U33A
44	SONATA	6HYXV02.4NW5	G4KC5MNS	NF 2.4 MT	NF6F4U32A
45	SANTA FE	7HYXT03.3PW5	G6DB-AC	CM 3.3 4WD AT	CM7V3U11S2
46	SANTA FE	7HYXT03.3PW5	G6DB5LNS	CM 3.3 2WD AT	CM7V3U11S2-1
47	ACCENT	7HYXV01.6MW5	G4ED5MMS	MC 1.6 MT 3DR	MC7D6U02A1
48	ACCENT	7HYXV01.6MW5	G4ED5MMS	MC 1.6 MT 4DR	MC6D6U16A1
49	ELANTRA	7HYXV02.0HPC	G4GC4LHC	HD 2.0 AT SULEV 4DR	HD7B0U49A1
50	ELANTRA	7HYXV02.0HW4	G4GC5MHF	HD 2.0 MT ULEV 4DR	HD7B0F52A1
51	ELANTRA	7HYXV02.0HW4	G4GC4LHF	HD 2.0 AT ULEV 4DR	HD7B0F51A1
52	TUCSON	7HYXT02.0JW5	G4GC	JM 2.0 2WD MT	JM7B0U02A1
53	TUCSON	7HYXT02.0JW5	G4GC	JM 2.0 4WD MT	JM7B0U04A1
54	SANTA FE	7HYXT02.7CW5	G6EA4LCS	CM 2.7 2WD AT	CM7V7U31A
55	SANTA FE	7HYXT02.7CW5	G6EAFMCS	CM 2.7 4WD MT	CM7V7U30A
56	SANTA FE	7HYXT02.7CW5	G6EA5MCS	CM 2.7 2WD MT	CM7V7U32A
57	VERACRUZ	7HYXT03.8EM5	G6DA-AC	EN 3.8 2WD AT	EN7L8U27A2
58	ELANTRA	8HYXV02.0HW4	G4GC-AC	HD ULEV AT	HD8B0F59A1
59	ELANTRA	8HYXV02.0HW4	G4GC-MC	HD ULEV MT	HD8B0F60A1
60	SANTA FE	8HYXT02.7CW5	G6EAF LCS	CM 2.7 4WD AT	CM8V7U41A
61	SANTA FE	8HYXT02.7CW5	G6EA4LCS	CM 2.7 2WD AT	CM8V7U35A
62	SANTA FE	8HYXT02.7CW5	G6EAFMCS	CM 2.7 4WD MT	CM8V7U30A
63	SANTA FE	8HYXT02.7CW5	G6EA5MCS	CM 2.7 2WD MT	CM8V7U32A
64	ACCENT	9HYXV01.6MW5	G4ED-AC	MC 3DR AT	MC8D6U01A1
65	ACCENT	9HYXV01.6MW5	G4ED-MC	MC 3DR MT	MC8D6U02A1
66	ELANTRA TOURING	9HYXV02.0FW5	G4GC-MC	FD MT	FD8B0F20A1

	MODEL NAME	TEST GROUP	ENGINE	Vehicle	Vehicle ID
67	SONATA	9HYXV02.4SW5	G4KE-AC	NF 2.4 AT ULEV	NF8F4U47A1
68	SONATA	9HYXV02.4SPC	G4KE-AC	NF 2.4 AT SULEV	NF8F4U43A1
69	SONATA	9HYXV03.3NW5	G6DB-AC	NF 3.3 AT	NF9A6225
70	GENESIS	9HYXV04.6GW5	G8BA-ACEHPS	BH 4.6 EHPS	BH8T6U15B
71	GENESIS	9HYXV04.6GW5	G8BA-AC	BH 4.6 Non EHPS	BH8T6U19B
72	TUCSON	9HYXT02.0JW5	G4GC-AC	JM 2.0 2WD AT	JM8B0U25A1
73	TUCSON	9HYXT02.0JW5	G4GC-MC	JM 2.0 4WD MT	JM8B0U96A1
74	VERACRUZ	9HYXT03.8EM5	G6DA-AC	EN 3.8 4WD AT	EN7L8D45A2
75	VERACRUZ	9HYXT03.8EM5	G6DA-AC	EN 3.8 2WD AT	EN8L8G59A2
76	SANTA FE	AHYXT02.4CW5	G4KE-AC	CM 2.4 4WD AT	CM0F4GU15A1
77	SANTA FE	AHYXT02.4CW5	G4KE-MC	CM 2.4 2WD MT	CM0F4GU08A1
78	SANTA FE	AHYXT03.5PW5	G6DC-AC	CM 3.5 4WD AT	CM0A6626
79	SANTA FE	AHYXT03.5PW5	G6DC-AC	CM 3.5 2WD AT	CM0A6628
80	ELANTRA	AHYXV02.0HPC	G4GC-ACS	HD SULEV AT	HD0F0GU15A1
81	ELANTRA	AHYXV02.0HW5	G4GC-AC	HD ULEV AT	HD0F0GF05A1
82	ELANTRA	AHYXV02.0HW5	G4GC-MC	HD ULEV MT	HD0F0GU17A1
83	ELANTRA BLUE	AHYXV02.0HW5	G4GC-MC	HD ULEV MT BLUE	HD0F0GF07A2
84	TUCSON	AHYXT02.4LW5	G4KE-ACS	LM SULEV 2WD AT	LM0F4GU41A1
85	TUCSON	AHYXT02.4LW5	G4KE-ACS	LM SULEV 4WD AT	LM0F4GU43A1
86	TUCSON	AHYXT02.4LW5	G4KE-AC	LM ULEV 2WD AT	LM0F4GF31A1
87	TUCSON	AHYXT02.4LW5	G4KE-MC	LM ULEV 2WD MT	LM0F4GF32A1
88	TUCSON	AHYXT02.4LW5	G4KEMC	LM ULEV 4WD MT	LM0F4GF34A1
89	ACCENT	AHYXV01.6MW5	G4ED-AC	MC AT	MC0D6U01A1
90	ACCENT	AHYXV01.6MW5	G4ED-MC	MC MT	MC0D6U02A1
91	GENESIS COUPE	AHYXV02.0JM5	G4KD-AC	BK 2.0 MT	BK9F0U30A1
92	GENESIS	AHYXV04.6GW5	G8BA-AC	BH 4.6 AT(다꺽UP)	BH1T6GU09B2