

TABLE 1

<u>No.</u>	<u>Engine Serial Number</u>	<u>Horse Power</u>	<u>Engine Build Date</u>
1.	50200433	13	02/2005
2.	50200617	13	02/2005
3.	50200619	13	02/2005
4.	50200620	13	02/2005
5.	50200621	13	02/2005
6.	50200622	13	02/2005

Respondents

2. Mobility and GPP are engaged in the business of importing into the United States and selling small nonroad engines for use in small power equipment. Mobility imported the Subject Engines on behalf of, and at the direction of GPP. Throughout this Agreement, Mobility and GPP will collectively be referred to as “Respondents.”

Definitions

3. For the purposes of this Agreement, the following definitions apply:
 - a. *This matter*: as used in this Agreement means Respondents’ importation of the Subject Engines and any civil liability that may apply to such violation.
 - b. *Certificate of Conformity*: the document issued by EPA to a manufacturer under 40 C.F.R. § 90.108 after EPA determines that the manufacturer’s application is complete and that the engine family meets the requirements of 40 C.F.R. Part 90 and the Clean Air Act. Issuance of the Certificate of Conformity permits production of a covered vehicle or engine after the date of the certificate and before expiration of the model year.
 - c. *Certified engine*: a nonroad engine built after the applicable dates of the regulations and that is covered by a Certificate of Conformity.

- d. *Uncertified engine*: a nonroad engine built after the applicable dates of the regulations but which is not covered by a Certificate of Conformity issued by EPA.
- e. *Random sample*: a sample drawn from a population so that each member of the population has an equal chance to be drawn.
- f. *Applicable regulation and dates*: 40 C.F.R. Part 90, is applicable to spark ignition nonroad engines below 19 kW built in or after model year 1997.

Regulatory Authority

- 4. Sections 203(a) and 213(d) of the Act, 42 U.S.C. § 7522(a), and 42 U.S.C. § 7547(d), prohibit the sale, offering for sale, introduction, or delivery for introduction into commerce, or the importation of any nonroad vehicle or engine unless such vehicle or engine is covered by a Certificate of Conformity issued and in effect
- 5. 40 C.F.R. § 90.1(a) defines the applicability of 40 C.F.R. Part 90 regulations to nonroad spark-ignited engines and vehicles that have a gross power output at or below 19 kilowatts and that are used for any purpose.
- 6. 40 C.F.R. § 90.1003(a)(1)(ii) prohibits any person from importing, or causing the importation, into the United States any nonroad engine manufactured after the applicable effective date of the regulations, unless such engine is covered by a Certificate of Conformity.
- 7. 40 C.F.R. § 90.1003(a)(4)(ii) prohibits the sale, introduction, or delivery into commerce by an engine manufacturer of a nonroad engine manufactured after the applicable effective date of the regulations, unless an EPA emission information label or tag is affixed to the engine.

8. 40 C.F.R. § 90.3 defines an engine manufacturer as any person who, among other things, imports nonroad engines for resale, or who acts for and is under control of any such person in connection with the distribution of such engines.
9. 40 C.F.R. § 90.114 requires the original engine manufacturer to affix, at the time of manufacture of a Certified Engine, a permanent and legible EPA emission information label identifying each nonroad engine. The label must be legible and readily visible to the average person after the engine is installed in the equipment.
10. 40 C.F.R. § 90.1103(b) requires the manufacturer of a new nonroad engine to warrant to the ultimate purchaser and each subsequent purchaser that each nonroad engine is designed, built, and equipped to conform with the applicable regulations under section 213 of the Act, 42 U.S.C. § 7547, and is free of any material defects which would cause the engine to fail to conform with the applicable regulations for its warranty period (EPA Emissions Warranty).

Background

11. On February 3, 2005, EPA issued the following 2005 Model Year Certificates of Conformity to GPP:

EPA Certificate No.	EPA Engine Family Number
GPP-NRSI-05-01	5GPPS.2702ZS
GPP-NRSI-05-02	5GPPS.3902ZS

12. On March 4, 2005, U.S. Customs and Border Protection (Customs) detained the Subject Engines at the port of Columbia, South Carolina, where they are currently being held (Customs Entry # 669-44067058), because no EPA emission information labels were affixed to the engines.
13. Mobility was the importer of record of the Subject Engines. Mobility imported the Subject Engines on behalf of, and at the direction of GPP

14. EPA alleges that the Subject Engines were not covered by a Certificate of Conformity because they did not have the required EPA emission information labels affixed to the engines.
15. Respondents affirm that each Subject Engine, once modified under the direct supervision of Customs by the addition of an EPA emission information label, will be covered by an applicable Certificate of Conformity.
16. The Subject Engines are spark ignition engines built in 2005 with a rated power below 19 kW, and consequently they are subject to the requirements of 40 C.F.R. Part 90.
17. Based on the above, EPA has determined that Respondents are liable for six violations of Section 203(a) and 213(d) of the Act, 42 U.S.C. §§ 7522(a) and 7547(d), and the applicable regulations.

Terms of Agreement

18. Upon ratification of this Agreement, EPA agrees to recommend that Customs permit GPP, or its authorized agent, to affix EPA emission information labels to each of the Subject Engines in accordance with Paragraph 19 of this Agreement. After GPP affixes EPA emission information labels to each of the engines in accordance with Paragraph 19 of this Agreement, EPA will recommend that Customs release the engines.
19. Within 30 days from the date of this Agreement, GPP, or its authorized agent, shall, under the direct supervision of Customs, affix EPA emission information labels to the Subject Engines. Respondents shall furnish proof to EPA in the form of an affidavit and digital photographs, that the proper emissions labels were affixed to the Subject Engines.
20. Respondent, GPP, agrees to conduct an audit of its stock and all records within 90 days from the date Respondent executes this Agreement, of all nonroad engines imported by Respondent during the five years prior to date of Agreement, and Respondent shall

submit written evidence of the audit to EPA. The audit shall include importations “for export only.” The audit shall consist of two parts: (A) it shall include an evaluation of records available to Respondent for compliance with 19 C.F.R. 12.74(b)(2); and (B) a compilation of the following information about each imported engine based upon stock on hand and all records available to Respondent after a diligent search:

- a. manufacturer name, address and telephone number
- b. type of engine (spark or compression)
- c. type of vehicle or equipment (generator, tractor, pump, etc.)
- d. engine family number, in the case of certified engines;
- e. engine serial number;
- f. date of manufacture;
- g. horsepower rating;
- h. a statement that the engine was or was not manufactured under a Certificate of Conformity;
- i. the date of the applicable Certificate(s) of Conformity, if any;
- j. date of importation;
- k. if an EPA form 3520-21 was filed, the box number that was checked, and
- l. an original certification signed by an officer of the corporation or owner or principal of the business that the submitted information is true, complete and accurate.

21. Respondent, GPP, agrees to locate and physically inspect 20% or other percent of the certified spark ignition nonroad engines imported by Respondent during the five years prior to date of Agreement, for the purpose of determining whether an EPA emission label is present, legible, and readily visible. The engines in the 20% sample shall be chosen at random. To the extent that these samples include equipment that, after diligent

search and negotiation, Respondent is unable to locate or otherwise gain access to, Respondent shall randomly pick a replacement engine for inclusion in such sample. Each engine included in the initial sample, and any subsequent samples shall be accompanied by the attached Affirmation of Inspection of EPA Emissions Label, with the results of the inspection and shall be submitted to EPA within 90 days from the date of this Agreement. Within 90 days of the date of this Agreement, Respondent shall provide EPA with a paper audit of all previously imported nonroad engines within the past five years. Respondent shall indicate the engine models, engine serial numbers, engine build dates, engine families, applicable Certificate of Conformity numbers, and dates of importation.

22. Within 90 days of the date of this Agreement, Respondents Mobility and GPP shall each provide EPA with a detailed plan reasonably calculated to ensure that all nonroad engines imported after the date of this Agreement into the United States by Respondents have proper EPA emission information labels affixed to each engine, conform in all material respects to the engines that were tested in support of Respondents' applications for certification, and are imported in a manner that complies with all other applicable regulations, including Parts 89 and 90.

23. Responses to Paragraphs 19-22 shall be sent to Jeffrey A. Kodish, at the following address:

Jeffrey A. Kodish, Attorney
U.S. Environmental Protection Agency
Mobile Source Enforcement Branch
12345 West Alameda Parkway, Suite 214
Denver, Colorado 80228

24. Respondents shall pay to the United States \$1,000 within thirty (30) days 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. Respondents agree 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
Washington Accounting Operations
P.O. Box 360277M
Pittsburgh, Pennsylvania 15251
ATTN: AED/MSEB # 7090

Simultaneously, a photocopy of the check shall be mailed to Jeffrey A. Kodish at the address specified in Paragraph 23. Such check shall be identified with the case number and Respondents' names.

General Provisions

25. The effective date of this Agreement is the date that EPA executes the Agreement and provides a copy of the executed Agreement to Respondents.
26. Respondents hereby represent that the individuals executing this Agreement on behalf of Respondents are authorized to do so on behalf of Respondents and that such execution is intended and is sufficient to bind Respondents, their agents, assigns, or successors.
27. Notwithstanding any other provisions of this Agreement, upon Respondents' failure to timely perform pursuant to Paragraph 24 of this Agreement, or default of or failure to comply with any terms 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 Act, 42 U.S.C. § 7524, and pursue any other remedies available to it. Respondents specifically agree that in the event of such default or failure to comply, EPA may proceed in an action based on the original claim of violation of the Act and 40 C.F.R. Part 90. Respondents expressly waive their right to assert that such action is barred by any applicable statutes of limitation, see *e.g.* 28 U.S.C. § 2462.

28. Violations disclosed to EPA as a result of this Agreement may fall under EPA's Self-Disclosure Policy "Incentives for Self-Policing: Discovery, Disclosure, Correction and Prevention of Violations," see 65 Fed. Reg. 19,618 (April 11, 2000). It is anticipated that violations discovered in the course of the audit required under Paragraphs 20-21 of this Agreement may be deemed to have been systematically and voluntarily discovered independent of a government or third party plaintiff. It is anticipated that violations reported in the audit report may be deemed to have been disclosed promptly, notwithstanding the passage of more than twenty-one (21) days from their actual discovery, provided that Respondents deliver their audit report to EPA on or before the time provided in this Agreement (or any extension thereof).
29. This settlement is contingent upon the truthfulness, accuracy and completeness of Respondent's disclosure and representations to EPA as memorialized in Paragraphs 11 – 17, and the prompt and complete remediation of any violations in accordance with this agreement.

Stipulated Penalties

30. For failure to comply with the terms of this Agreement on a timely basis Respondent shall pay stipulated penalties to the United States as follows:
- a. For failure to pay the penalty, or provide thereof, pursuant to Paragraph 24, \$250.00 per day;
 - b. For failure to conduct the audit required by Paragraph 20-21, or to submit to EPA, in writing, the results of this audit, \$250.00 per day;
 - c. For failure to affix the correct EPA Emissions Labels to the Subject Engines as required by Paragraph 19, or to submit to EPA the digital photographs of the labels and engines, \$250.00 per day;

d. For failure to submit to EPA, in writing, a plan to prevent further violations, pursuant to Paragraph 22, \$250.00 per day.

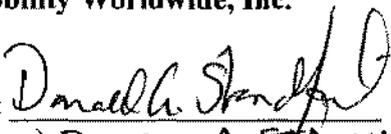
31. All stipulated penalties under Paragraph 30 of this Agreement shall begin to accrue on the day after performance is due, and shall continue to accrue until the day compliance is achieved. Nothing herein shall prevent simultaneous accrual of separate stipulated penalties for separate violations of this Agreement. All stipulated penalties shall be paid in accordance with Paragraph 24 and shall be paid within five days of written demand by EPA. Stipulated penalties shall not be construed as prohibiting, altering, or in any way limiting the ability of EPA from seeking any other remedy or sanction available by virtue of Respondent's violation of this Agreement or of the statutes or regulations upon which the Agreement is based.

Enforcement

32. Upon completion of the terms of this Agreement, the alleged violations described in this Agreement shall be deemed terminated and resolved. Nothing herein shall limit the right of EPA to proceed against Respondents 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 Respondents of responsibility to comply with other state, federal or local law or regulations.

The following agree to the terms of this Agreement:

Mobility Worldwide, Inc.

By: 
(name) DONALD A. STANICH Date APR 11, 2015
(title) PRESIDENT

Administrative Settlement Agreement *In the Matter of: Mobility Worldwide, Inc. and General Power Products, LLC.*

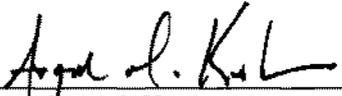
General Power Products, LLC

By: 
(name) DANIEL E. LEHR
(title) PRESIDENT

4/8/05
Date

Administrative Settlement Agreement *In the Matter of: Mobility Worldwide, Inc. and General Power Products, LLC.*

U.S. Environmental Protection Agency

By: 

Adam M. Kushner
Acting Director
Air Enforcement Division
Office of Enforcement and Compliance Assurance

4/12/05
Date