

ERH C

JAN 03 2018



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

Kris Song
Ultimate Tool Solutions, Inc.
dba International Merchandising Service, Inc.
1420 E. Walnut Avenue
Fullerton, CA 92831

7016 1370 0000 0748 5278

Re: Docket No. R9-CAA-17-1008

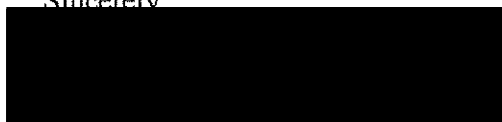
Dear Mr. Song,

An authorized representative of the United States federal government conducted an inspection to determine your company's compliance with the Clean Air Act (CAA) and regulations promulgated thereunder. The details of this inspection are outlined in the enclosed Clean Air Act Mobile Source Expedited Settlement Agreement (Agreement). As a result of the inspection, it was determined that your company failed to comply with the CAA and the associated regulations. The Agreement describes the violations.

Based upon information we currently have, it appears that your company has not previously entered into a settlement with the United States Environmental Protection Agency (EPA) for CAA violations. Because of this, you may resolve violations using an expedited process that includes significantly lower penalties than those sought through the normal settlement process. EPA is authorized to enter into the Agreement under the authority vested in the EPA Administrator by Section 205(c)(1) of the CAA, 42 U.S.C. § 7524(c)(1). Should your company violate the CAA in the future, the EPA will not offer this expedited process again. After the Agreement becomes effective, the EPA will take no further civil action against your company for the violations described in the Agreement. However, the EPA does not waive any rights to take an enforcement action for any other past, present, or future violations of the CAA or of any other federal statute or regulation.

If you do not sign and return the enclosed Agreement as presented within **30 calendar days** of its receipt, and meet all of your obligations under the Agreement, the proposed Agreement is withdrawn without prejudice to the EPA's ability to file any other enforcement action for the violations identified in the Agreement and seek penalties of up to \$45,268 per engine in violation. Please refer to "CAA Mobile Source Expedited Settlement Agreement Instructions," attached, for instructions on accepting this Agreement.

Sincerely,



Joel Jones, Assistant Director
Enforcement Division

Enclosure

Table 1 - Inspection Information

Entry/Inspection Date(s): Nov. 21, 2016/Nov. 29, 2016; Jan. 23, 2017/Feb. 7, 2017		Docket Number: R 9 - C A A 1 7 1 0 0 8	
Inspection Location: Price Transfer Warehouse		Entry/Inspection Number(s) B J Z - 0 2 1 5 0 1 1 - 5	
Address: 2711 East Dominguez Street		Inspector(s) Name(s): Elfego Felix, Jennifer MacArthur, and Nathan Dancher	
City: Long Beach		EPA Approving Official: Alexis Strauss	
State: CA	Zip Code: 90810	EPA Enforcement Contact: Roshni Brahmhatt (Region 9), 415-972-3995	
Respondent: Ultimate Tools Solutions, Inc. dba International Merchandising Service, Inc.			

Table 2 - Description of Violations and Vehicles/Engines

The 1,653 gasoline generators (Subject Generators) described below and imported by Ultimate Tool Solutions, Inc. dba International Merchandising Service, Inc. ("International") were found to be in violation of standards governing small, spark-ignition engines and equipment under Title II of the Clean Air Act (CAA). A sampled catalyst taken from one of the Subject Generators during the November 29, 2016 inspection and from one of the Subject Generators during the February 7, 2017 inspection were both found to be significantly different from the catalyst design specified in the Certificate Summary Information Report for the Certification of Conformity (CSI Report and COC, respectively) for claimed engine family GYAMS.0635ST. Specifically, the ratio of precious metals in the tested sample differed significantly from the certified design. Because a COC covers only equipment that are materially the same (including catalyst design, a key factor in emissions control) as those described in the CSI Report, the Subject Generators are not covered by a valid COC. The EPA has found no evidence that the Subject Equipment are otherwise excluded from coverage. CAA §§ 203(a)(1) and 213(d), 42 U.S.C. §§ 7522(a)(1) and 7457(d), prohibit the importation or introduction into U.S. commerce of new nonroad motor vehicles or new nonroad motor engines unless they are covered by a valid COC or are properly excluded. By importing the Subject Generators and introducing them into U.S. commerce, International committed 1,653 violations of CAA §§ 203(a)(1) and 213(d), 42 U.S.C. §§ 7522(a)(1) and 7547(d), and 40 C.F.R. §§ 1068.101(a)(1) and (b)(5).

Subject Generators	Model	Manufacturer	Claimed Engine Family	Model Year	Quantity
Gasoline Generators	GG900	Yongkang Apollo Motive Force Industrial Co.	GYAMS.0635ST	2016	1,653

Table 3 - Penalty and Required Remediation

Penalty	\$10,200
Required Remediation	International must provide the EPA with a report and documentation showing that the Subject Generators have been destroyed or exported to countries other than Canada and Mexico.

Enclosure
CLEAN AIR ACT MOBILE SOURCE EXPEDITED SETTLEMENT AGREEMENT

DOCKET NO. R9-CAA-17-1008

Respondent: Ultimate Tool Solutions, Inc.
dba International Merchandising Service, Inc.
1420 E. Walnut Avenue
Fullerton, CA 92831

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 State 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 EPA's jurisdiction.
3. Respondent consents to the payment of a penalty in the amount of \$10,200 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, 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 Approving Official's ratifying signature.

APPROVED BY EPA:





Joel Jones, Assistant Director

Date: 1.3.2018

APPROVED BY RESPONDENT:

Name (print): KRIS SONG

Title (print): MANAGER

Signature: 


Date: JAN 22, 2018

RATIFIED BY EPA:



Joel Jones, Assistant Director

Date: Feb. 8, 2018