

ENCLOSURE 1

**CLEAN AIR ACT MOBILE SOURCE EXPEDITED SETTLEMENT AGREEMENT**

DOCKET NO. CAA-12-8025

Respondent:

International Motor Sports, LLC  
7 Market Street  
Rockland, MA 02370

1. The parties, the U.S. Environmental Protection Agency ("EPA") and International Motor Sports, LLC ("Respondent" or "IMS") enter into this Clean Air Act Mobile Source Expedited Settlement Agreement ("Agreement") in order to resolve 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 this Agreement by reference, regarding the vehicles/engines specified therein.
2. Respondent admits being subject to the Clean Air Act ("CAA") and its associated regulations and that the 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 \$4,800, 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 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 Region 1's Director of Environmental Stewardship's ratifying signature.

APPROVED BY EPA:

Susan Studlien  
Susan Studlien, Director, Office of Environmental Stewardship

Date: 06/26/12

APPROVED BY RESPONDENT:

Name (print): Thomas J. Murphy

Title (print): owner

Signature: T. Murphy

RATIFIED BY EPA:

Susan Studlien, acting for  
Susan Studlien, Director, Office of Environmental Stewardship

Date: 7-26-2012

**Table 1 - Inspection Information**

<b>Entry/Inspection Date(s):</b>	<b>Docket Number:</b>
May 7, 2012	CAA-12-8025
<b>Inspection Location:</b>	<b>Entry/Inspection Number (s)</b>
Port of Boston	D52-0783724-1
<b>Address:</b>	
10 Causeway Street	
<b>City:</b>	<b>Inspector(s) Name(s)</b>
Boston	Amelie Isin, Mario Jorquera, Darren Fortescue
<b>State and Zip Code:</b>	<b>EPA Approving Official:</b>
MA 02222	Susan Studlien
<b>Respondent:</b>	<b>EPA Enforcement Contact:</b>
International Motor Sports, LLC	Steve Rapp

**Table 2 - Description of Violations and Vehicles/Engines**

EPA's May 2012 inspections at the Port of Boston revealed that the labels on all 124 motorcycles in IMS's May 2012 shipment do not include the information required under EPA regulations. Specifically, these motorcycles are equipped with a Pulse Air Injection Reactor ("PAIR"). The PAIR is an emission control device and must be included on the Emission Control Information ("ECI") label. Because the ECI label does not indicate that the motorcycle contains a PAIR, EPA concludes that these motorcycles are improperly labeled. In addition, the ECI label on the YY150T-29 and the YY150T contains a statement that "The vehicle conforms to EPA and California ARB regulations...", which is incorrect, given that the certificate of conformity ("COC") for CSHKC0.15NFG states that it is only valid for 49 states, not including California. Sale of a motorcycle that does not bear the required labels violates Section 203(a)(4) of the Act, 42 U.S.C. § 7522(a)(4). Furthermore, examination of the exhaust system of the Model YY150T motorcycle revealed that the catalyst does not match the design criteria specified in the application for COC. Specifically, the catalyst had significantly less volume and cell density than the certified design. Emission reductions are directly affected by catalyst volume and surface area. Thus, EPA concludes this is a material difference from the certified design. A COC only covers those vehicles that conform in all material respects to the design specifications in the COC application. Because the catalytic converter system does not conform to the design specifications described in the application for the COC, EPA concludes that the Model YY150T motorcycles are not properly certified. Importation of improperly certified vehicles violates Section 203(a)(1) of the Act, 42 U.S.C. § 7522(a)(1).

Description	Model	Engine Family	Manufacturer	Model Year	Quantity	Violation
Motorcycle	YY150T	CSHKC0.15NFG	Zhejiang Jonway Motorcycle Manufacturing Co., Ltd.	2012	2	Non-compliant catalytic converter; Incorrect ECI label (no indication of PAIR, Not CA certified)
Motorcycle	YY150T-29	CSHKC0.15NFG	Zhejiang Jonway Motorcycle Manufacturing Co., Ltd.	2012	2	Incorrect ECI label (no indication of PAIR, Not CA certified)
Motorcycle	YY50QT-12	CSHKC0.05NFG	Zhejiang Jonway Motorcycle Manufacturing Co., Ltd.	2012	16	Incomplete ECI label (no indication of PAIR)
Motorcycle	YY50QT-30	CSHKC0.05NFG	Zhejiang Jonway Motorcycle Manufacturing Co., Ltd.	2012	16	Incomplete ECI label (no indication of PAIR)
Motorcycle	YY50QT-29	CSHKC0.05NFG	Zhejiang Jonway Motorcycle Manufacturing Co., Ltd.	2012	14	Incomplete ECI label (no indication of PAIR)
Motorcycle	YY50QT-5	CSHKC0.05NFG	Zhejiang Jonway Motorcycle Manufacturing Co., Ltd.	2012	20	Incomplete ECI label (no indication of PAIR)
Motorcycle	YY50QT-6	CSHKC0.05NFG	Zhejiang Jonway Motorcycle Manufacturing Co., Ltd.	2012	54	Incomplete ECI label (no indication of PAIR)

**Table 3 - Penalty and Required Remediation**

<b>Penalty</b>	<b>Total Penalty = \$4,800</b>
<b>Required Remediation</b>	The two Model YY150T motorcycles described in Table 2 must be exported or destroyed. The remaining 122 motorcycles described in Table 2 cannot be introduced into commerce until they have been properly relabeled. Instructions for relabeling are included in Enclosure 2.