

Enclosure

CLEAN AIR ACT MOBILE SOURCE EXPEDITED SETTLEMENT AGREEMENT

DOCKET NO. CAA-12-7989

Respondent: Jonathan C. Arn, CEO
Carter Brothers Mfg. Co., Inc.
1871 US Highway 231
Brundidge, AL 36010

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 being subject to the Clean Air Act (CAA) and its associated regulations and that the United States 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 \$10,000.00, 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 remediation specified in Table 3 has been completed.
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. By 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 whose signatures appear below, and that it becomes effective on the date of the EPA Air Enforcement Division Director's ratifying signature.

APPROVED BY EPA:

 for

Phillip A. Brooks, Director, Air Enforcement Division

Date: 6/20/12

APPROVED BY RESPONDENT:

Name (print): Jonathan C. Arn

Title (print): CEO

Signature:  _____

Date: 9/24/12

RATIFIED BY EPA:

 for

Phillip A. Brooks, Director, Air Enforcement Division

Date: 9/28/12

Table 1 - Inspection Information

Entry/Inspection Date(s):		Docket Number:	
04/28/2008		C A A - 1 2 - 7 9 8 9	
Inspection Location:		Entry/Inspection Number(s)	
New Orleans		7 9 1 - 5 1 0 5 0 5 1 - 9	
Address:			
1515 Poydras Street, Room 1700			
City:		Inspector(s) Name(s):	
New Orleans		Raoul Duroncelet	
State:	Zip Code:	EPA Approving Official:	
LA	70112	Phillip A. Brooks	
Respondent:		EPA Enforcement Contact:	
Carter Brothers Manufacturing Company, Inc.		David E. Alexander, Attorney (202) 564-2109	

Table 2 - Description of Violation and Vehicles/Engines

On or about May 5, 2008, Carter Brothers Manufacturing Company, Inc. (Carter Brothers) imported 36 highway motorcycles (Subject Vehicles) into the Port of New Orleans. EPA motorcycle regulations at 40 C.F.R. §86.413-2006 require the manufacturer of any motorcycle to affix a permanent Vehicle Emission Control Information (VECI) label that cannot be removed without destroying or defacing the label. However, a Customs and Border Protection inspection determined that the VECI label on the Subject Vehicles could be removed without destroying or defacing the label. Selling motorcycles with non-compliant labels is a violation of 42 U.S.C. § 7522(a)(4).

Additionally, tests of the sample catalytic converter showed that it did not conform to the specifications submitted in Carter Brothers' application for certificate of conformity (COC) for the Subject Vehicles. EPA testing determined that there was no detectable platinum, and the ratio of palladium to rhodium was 134:1. The testing also showed that the active material loading was 0.83 g/l. The catalytic converters of the Subject Vehicles differ significantly from the design specifications in the COC application approved by EPA. Since a COC covers only those vehicles built in accordance with the design specifications in the application for a COC, the Subject Vehicles are not covered by a COC. Therefore, Carter Brothers is liable for a total of 36 violations under the Clean Air Act § 203(a)(1).

Equipment Description	Engine Family	Manufacturer	Model Year	Quantity
Motorcycles/Scooters	7SYGC.171HHM	Sanyang Industry Co., Ltd.	2007	36

Table 3 - Penalty and Required Remediation

Penalty	\$10,000.00
Required Remediation	Carter Brothers Manufacturing Company, Inc. must destroy or export the equipment listed in Table 2 to a country outside of Canada, Mexico, and U.S. territories and provide EPA with a report and documentation proving that such exportation or destruction has occurred.