

ATTN DAVID ALEXANDER

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

ADMINISTRATIVE SETTLEMENT AGREEMENT

In the Matter of:

ROBERT ROMINE
d/b/a CRAZY HORSE TRACTORS,

Respondent.

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AED/MSEB - 7043

This Administrative Settlement Agreement is made and entered into by and between the United States Environmental Protection Agency (EPA) and Robert Romine d/b/a Crazy Horse Tractors (Respondent) regarding compliance by Respondent with the requirements of Sections 203 and 213 of the Clean Air Act (Act), 42 U.S.C. §§ 7522 and 7547, and the regulations promulgated thereunder at 40 C.F.R. Part 89.

Purpose

1. The purpose of this Administrative Settlement Agreement (Agreement) is to resolve any and all claims by EPA under the Act and Part 89 arising out of the importation of 4 Model Year 2004 Jinma brand tractors containing the nonroad engines identified in Table 1 below (Subject Tractors), while ensuring that prior violations are identified and resolved, and that future violations are avoided.

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Table 1: Description of Subject Tractors

| Engine Brand & Model | Engine (Equipment) Serial Number | Power (kW) | Engine Build Year |
|----------------------|----------------------------------|------------|-------------------|
| Jinma Y395 | 98050671 (20834803) | 22.06 | 1998 |
| Jinma Y395 | 98050690 (20834802) | 22.06 | 1998 |
| Jinma Y395 | 98050672 (20834801) | 22.06 | 1998 |
| Jinma Y395 | 98050670 (20837804) | 22.06 | 1998 |

Definitions:

2. For the purposes of this Agreement, the following definitions apply:
- A. *Certified engine*: A "certified engine" is a nonroad engine that was built after the applicable effective dates of the Part 89 regulations and that is covered by a Certificate of Conformity.
 - B. *Dates of the Applicable regulations*: The term "dates of the applicable regulations" means the date after which the certification requirement applies to an engine, as defined in Table 2 of 40 C.F.R. § 89.112.
 - C. *Uncertified engine*: An "uncertified engine" is a nonroad engine built after the applicable effective date of the regulations but which is not covered by a Certificate of Conformity.
 - D. *This matter*: As used in this Agreement, "this matter" means the Respondent's importation of the Subject Tractors identified in Table 1 and any civil liability that may apply to violations of the Clean Air Act and implementing regulations governing importation of nonroad engines.
 - E. *Certificate of Conformity*: A "certificate of conformity" means the document issued by EPA to a manufacturer under 40 C.F.R. § 89.105 or § 90.108 after EPA has determined that the manufacturer's application is complete and that the engine family meets the requirements of 40 C.F.R. Parts 89 or 90 and the Clean Air Act.

Issuance of the Certificate of Conformity permits production of engines built in accordance with the manufacturer's application provided that the production is within the period during which the Certificate of Conformity is valid.

- F. *Subject tractors:* The term "Subject Tractors" means the tractors identified in Table 1.

Statutory and Regulatory Authority:

3. Sections 203(a) and 213(d) of the Clean Air Act, 42 U.S.C. §§ 7542(a) and 7547(d), prohibit the sale, offering for sale, introduction, or delivery for introduction, into commerce, or the importation of any nonroad vehicle or engine after the applicable effective date of the regulations unless such vehicle or engine is certified.
4. 40 C.F.R. § 89.1003(a)(1)(ii) prohibits any person from importing into the United States any new nonroad engine manufactured after the applicable effective date of the regulations, unless such engine is a certified engine.
5. 40 C.F.R. § 89.1003(b)(4) requires nonroad vehicle and equipment manufacturers to use certified engines in vehicles and equipment manufactured after the applicable effective date of the regulations pertaining to the engines used in the vehicle or equipment.
6. 40 C.F.R. § 89.2 defines a nonroad vehicle or equipment manufacturer as any person engaged in the manufacturing or assembling of new nonroad vehicles or equipment or importing such vehicles or equipment for resale, or a person acting for, and under the control of such person.
7. 40 C.F.R. § 89.110 requires the original engine manufacturer to affix, at the time of manufacture of a certified engine, a permanent and legible label which identifies the nonroad engine and provides the information specified in that section, including a statement that the engine is a certified engine. The label must be legible and readily visible to the average person after the engine is installed in the equipment.



8. 40 C.F.R. § 89.102 sets forth a program to provide transitional flexibility for nonroad equipment manufacturers, the Transition Provisions for Equipment Manufacturers (TPEM). The TPEM provides a limited opportunity for the manufacture or importation of equipment containing certain engines that otherwise do not comply with the emission standards of 40 C.F.R. Part 89. TPEM only allows use of engines that are produced after the applicable effective date of the regulations for the engines contained in the equipment being manufactured or imported, and does not allow use of engines that are produced before this date. For its entire duration TPEM only allows use of engines produced by one manufacturer for engines in each of the other power categories listed in Table 2 of 40 C.F.R. § 89.112.

Background

9. On October 5, 2004, Respondent imported the Subject Tractors.
10. On October 25, 2004, U. S. Customs and Border Protection (Customs) seized the Subject Tractors at the port of Portland, Oregon.
11. Respondent is the importer of the Subject Tractors.
12. The Subject Tractors were built in Model Year 2004, which is after the effective date for the engines in the subject vehicles. As a consequence, certified engines were required to be used in the Subject Tractors.
13. The Subject Tractors do not contain certified engines, and do not have affixed the certification label required by 40 C.F.R. § 89.110.
14. Respondent is liable for four violations of Sections 203(a) and 213(d) of the Clean Air Act, 42 U.S.C. §§ 7522 and 7547, and 40 C.F.R. § 89.1003(b)(4).
15. Respondent affirms that since January 1, 1999, it has not imported into the United States any other internal combustion engines or vehicles or equipment contain internal combustion engines.

Terms of Agreement

16. Within 30 days of the date of this Agreement, Respondent shall provide EPA with a plan reasonably calculated to insure that all nonroad engines imported by Respondent into the United States after the date of this Agreement shall be imported in a manner that complies with the requirements of the Act and 40 C.F.R. Parts 89 and 90.
17. Respondent shall include the four Subject Tractors in its calendar year 2005 TPEM allowance for equipment containing uncertified nonroad diesel engines rated equal to or above 8 kW and less than 19 kW, under 40 C.F.R. § 89.102(d)(2).
18. Respondent shall submit reports showing compliance with the TPEM requirements under 40 C.F.R. § 89.102(d). Such reports shall contain, for each piece of equipment imported by Respondent under the TPEM, the engine and chassis manufacturer, engine and chassis serial numbers, engine and chassis date of manufacture, engine power rating, engine power category under 40 C.F.R. § 89.112, and the date of importation. Notwithstanding 40 C.F.R. §89.102(e)(1), three such reports, covering Respondent's importation for the previous calendar year, shall be submitted on or before January 30, 2005, January 30, 2006, and January 30, 2007.
19. All submissions shall be sent to EPA at the following address:

David Alexander
U.S. EPA, OECA/AED (mailcode 2242A)
Room 1111A
1200 Pennsylvania Ave NW
Washington, DC 20037-0001
facsimile: (202) 564-0069

20. Respondent shall pay to the United States \$2,000 within 30 calendar days of the date of this Agreement. Late payment of the civil penalty is subject to interest and fees as specified in 31 U.S.C. § 3717. 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
Washington Accounting Operations
P.O. Box 360277M



Pittsburgh, Pennsylvania 15251
ATTN: AED/MSEB #

Simultaneously, a photocopy of the check shall be mailed or faxed to EPA at the address specified in Paragraph 19. Such check shall be identified with the case number and Respondent's name.

21. Respondent agrees that it will not import any nonroad vehicle or piece of equipment manufactured on or after the applicable model years set forth in 40 C.F.R. § 89.112 unless the nonroad vehicle or equipment is powered by certified nonroad engine, or contains a nonroad engine that was manufactured after the applicable effective date of the regulations and is otherwise imported in compliance with the TPDM requirements under 40 C.F.R. § 89.102(d).

General Provisions

22. The effective date of this Agreement is the date that EPA executes the Agreement and provides a copy of the executed Agreement to the Respondent.
23. Respondent hereby represents that the individual or individuals executing this Agreement on behalf of Respondent are authorized to do so on behalf of Respondent and that such execution is intended and is sufficient to bind Respondent, its agents, assigns, or successors.
24. Notwithstanding any other provision of this agreement, upon Respondent's failure to perform, 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. 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 violation of the Act and Part 89. Respondent expressly waives its right to assert that such action is barred by any applicable statute of limitation, see 28 U.S.C. § 2462.



25. The Effect of Settlement described in Paragraph 28 of this Agreement 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.

Stipulated Penalties:

26. 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 timely pay the penalty, or provide proof of such payment, pursuant to Paragraph 20, \$200 per day.
 - B. For failure to submit to EPA, in writing, a plan to prevent future violations, and reduce importations pursuant to flexibility provisions pursuant to Paragraph 16, \$500 per day.
 - C. For failure to submit reports, including failure to submit timely reports, of importations under 40 C.F.R. § 89.102 in accordance with Paragraph 18, \$300 per day.
 - D. For importing a piece of nonroad equipment containing an uncertified engine, unless the piece of equipment qualifies for the TPPEM, \$10,000 per violation.
27. All stipulated penalties under Paragraph 26 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 the simultaneous accrual of separate stipulated penalties for separate violations of this Agreement. All stipulated penalties shall be paid in accordance with Paragraph 20 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.



Effect of Agreement

28. Upon completion of the terms of this Agreement, the alleged violations described in this Agreement shall be considered resolved.

The following agree to the terms of this Agreement:

Robert Romine
d/b/a Crazy Horse Tractors
96707 Highway 99 E
Harrisburg, OR 97446

By: Robert Romine 11-17-04
Robert Romine Date

U.S. Environmental Protection Agency

By: [Signature] 11-18-04
Adam M. Kusiner, Date
Acting Director
Air Enforcement Division
Office of Enforcement and Compliance Assurance