

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

In the Matter of:	)	
	)	
King Precision Products, LLC	)	ADMINISTRATIVE
	)	SETTLEMENT AGREEMENT
Respondent	)	AED/MSEB - 7247

**This Administrative Settlement Agreement** is made and entered into by and between the United States Environmental Protection Agency (EPA) and King Precision Products, LLC, 8300 NW 53 Street, Miami, Florida 33166 (Respondent).

**Purpose:**

1. The purpose of this Administrative Settlement Agreement (Agreement) is to resolve 219 alleged violations of Sections 203(a) and 213(d) of the Clean Air Act (CAA), 42 U.S.C. §§ 7522(a), and 7547(d), and the implementing small spark-ignition (SI) nonroad engine regulations, 40 C.F.R. Part 90 (SI Non-Road Regulations).

**Statutory Authority:**

2. Sections 203(a) and 213(d) of the CAA, 42 U.S.C. §§ 7522(a) and 7547(d), prohibit any person from importing any new nonroad vehicle or engine unless such vehicle or engine is covered by a certificate of conformity issued and in effect, and bears the required EPA emissions label.

**Regulatory Authority - SI Non-Road Regulations:**

3. 40 C.F.R. § 90.1003(a)(1)(ii) prohibits any person from importing into the United States any SI engine manufactured after the effective dates of the regulations, unless such engine is covered by a certificate of conformity issued by EPA.
4. 40 C.F.R. § 90.1003(a)(4)(ii) prohibits the sale, offer for sale, introduction, or delivery into commerce by an engine manufacturer of a nonroad SI engine manufactured after the

effective dates of the regulations, unless a label or tag is affixed to the engine in accordance with 40 C.F.R. § 90.114.

5. 40 C.F.R. § 90.3 defines an engine manufacturer as any person who, among other things, imports nonroad SI engines for resale, or who acts for and is under the control of any such person in connection with the distribution of such engines.
6. 40 C.F.R. § 90.114 requires the original engine manufacturer to affix, at the time of manufacture of a certified SI engine, a permanent and legible label identifying each nonroad engine and containing certain information. The label must readily be visible after the engine is installed in the equipment.
7. 40 C.F.R. §§ 90.114(c)(5) and (6) require the label to specify the engine lubricant, and the date of manufacture, respectively.

**Definitions:**

8. For the purposes of this Agreement, the following definitions apply:
  - a. *This matter*: as used in this Agreement means Respondent's importation of the 219 nonroad engines as described in Paragraph 9 of this Agreement (Subject Engines) and any civil liability that may apply to such violations.
  - b. *Certificate of Conformity*: the document issued by EPA to a manufacturer under 40 C.F.R. § 90.106, as applicable, 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 CAA.
  - 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 that is not covered by a Certificate of Conformity issued by EPA.

- e. *Applicable regulation and dates:* 40 C.F.R. Part 90 is applicable to nonroad SI engines at or below 19 kilowatts (kW) built after the applicable dates in 40 C.F.R. Part 90.
- f. *Export:* to transport to a location outside of the United States and its territories, Canada, and Mexico.
- g. *Destroy:* the complete destruction of the Subject Engine. The engine shall be crushed or broken in such a manner that the engine or its parts can never be used to power anything.

**Alleged Violations:**

- 9. On or about April 10, 2007, Respondent imported into the Port of Miami, Florida 219 generators containing SI non-road engines (generator sets), as described in the Table below (the Subject Engines).

Table (Subject Engines)

<b>Entry No.</b>	<b>Equipment Model</b>	<b>Horsepower</b>	<b>Quantity Imported</b>	<b>Manufacturer</b>
U14-0063532-6	IGLB3000	4.1	219	Wuxi Kipor Power Co. Ltd.

- 10. The Subject Engines bore Emissions Information Labels that were not permanently affixed and could be removed without destroying or defacing the labels in violation of 40 C.F.R. § 90.114(a)(1).
- 11. The Subject Engines bore Emissions Information Labels that did not specify the engine lubricant and the date of manufacture, as required by 40 C.F.R. §§ 90.114(c)(5) and (6).
- 12. On or about April 25, 2007, U.S. Customs and Border Protection (Customs) at the Port of Miami, Florida detained the Subject Engines.
- 13. Based on the forgoing, EPA alleges that Respondent committed 219 violations of Sections 203(a) and 213(d) of the CAA, 42 U.S.C. §§ 7522(a), and 7547(d) and the small SI Non-Road Regulations, 40 C.F.R. Parts 90.

14. By entering into this Agreement, Respondent does not admit that it is responsible for the alleged violations or that any violations have occurred.

**Civil Penalty:**

15. Respondent has agreed to pay a civil penalty of \$18,400 within thirty days from the date of this Agreement to the United States of America. Late payment of the civil penalty is subject to interest and fees as specified in 31 U.S.C. § 3717, plus the stipulated penalties as specified in Paragraph 22 of this Agreement. Respondent agrees to pay the amount by certified check or cashier's check payable to the United States of America, and mail the payment to:

U.S. Environmental Protection Agency  
Fines and Penalties  
Cincinnati Finance Center  
P.O. Box 979077  
St. Louis, MO 63197-9000  
Attn: AED/MSEB - 7247

You may also pay online at [www.pay.gov](http://www.pay.gov). From the "Agency List" select Environmental Protection Agency, then select "EPA Miscellaneous Payments - Cincinnati Finance Center, and complete the "SFO Form Number 1.1".

**Notice:**

16. A copy of the payment(s) shall be sent by facsimile to Jocelyn Adair, Esq. at (202) 564-0069 within twenty-four hours of the payment(s). In addition, all correspondence to EPA concerning this Agreement shall be sent to:

**(Regular Mail)**

Jocelyn Adair, Esq.  
U.S. Environmental Protection Agency  
Mail Code 2242A  
1200 Pennsylvania Avenue, N.W.  
Washington, DC 20460  
Attn: AED/MSEB-7247

**(Courier Service)**

Jocelyn Adair, Esq.  
U.S. EPA  
Ariel Rios South, Room 1109A  
1200 Pennsylvania Avenue, N.W.  
Washington, DC 20004

17. Within thirty days of this Agreement, or such longer period of time if required by Customs, Respondent shall export or destroy the Subject Engines. This exportation or

destruction shall be carried out under the supervision of Customs. Respondent shall certify to EPA and provide supporting documents that the Subject Engines were either exported or destroyed.

**General Provisions:**

18. The effective date of this Agreement is the date that EPA executes the Agreement and provides a copy of the executed Agreement to Respondent.
19. Respondent hereby represents that the individual executing this Agreement on behalf of Respondent is authorized to do so on behalf of Respondent and that such execution is intended and is sufficient to bind Respondent, Respondent's agents, assigns, or successors.
20. Notwithstanding any other provisions of this Agreement, upon Respondent's default 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 40 C.F.R. Part 90. Respondent expressly waives Respondent's right to assert that such action is barred by any applicable statutes of limitation, see *e.g.* 28 U.S.C. § 2462.
21. This settlement is contingent upon the truthfulness, accuracy and completeness of Respondent's disclosure and representation to EPA, and the prompt and complete remediation of any violations in accordance with this agreement.

**Stipulated Penalties:**

22. 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 civil penalty or provide proof thereof, pursuant to Paragraphs 15 and 16, \$250.00 per day; and

- b. For failure to export or destroy the Subject Engines or provide proof thereof, pursuant to Paragraphs 17 and 16, \$250.00 per day.
23. All stipulated penalties under Paragraph 22 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 the manner specified in Paragraph 15 of this Agreement. In addition, a copy of the transmittal letter(s) and check(s) shall be sent to Jocelyn Adair at the address specified in Paragraph 16. All stipulated penalties shall be paid to the United States of America within 5 days of written demand by EPA (the due date). Late payment of the penalty is subject to interest and fees as specified in 31 U.S.C. § 3717. 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:**

24. 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 Respondent 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 Respondent of responsibility to comply with other state, federal or local law or regulations.

The following agree to the terms of this Agreement:

**King Precision Products, LLC**

By: \_\_\_\_\_

Date: 09-12-2007

Printed Name: Oscar Garcia

Printed Title: President

**Administrative Settlement Agreement - *In the Matter of King Precision Products, LLC;*  
AED/MSEB-7247**

**U.S. Environmental Protection Agency**

By: \_\_\_\_\_

Adam M. Kushner  
Director  
Air Enforcement Division

Date: \_\_\_\_\_

8/17/07