

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC**

In the Matter of:

G&R Imports, LLC, successor to G&R
Imports, Inc.

Respondents

Administrative Settlement Agreement
AED/MSEB # 7843

Purpose

1. The United States Environmental Protection Agency (EPA) has promulgated regulations to control emissions from mobile sources under the Clean Air Act (Act) for the protection of human health and the environment. These regulations are written to control emissions of hydrocarbons, carbon monoxide, and oxides of nitrogen. The EPA and G&R Imports, LLC, successor to G&R Imports, Inc., (together G&R or Respondent), located at 8001 Highway 61, Jackson, MO 63755, enter into this Administrative Settlement Agreement (Agreement) to resolve alleged violations of section 203 of the Act, 42 U.S.C. § 7522.

Governing Law

2. Section 203(a)(1) of the Act prohibits “the sale, or the offering for sale, or the introduction, or delivery for introduction, into commerce . . . of any new motor vehicle or new motor vehicle engine, manufactured after the effective date of regulations” by a manufacturer unless it is covered by an EPA-issued certificate of conformity (COC). 42 U.S.C. § 7522(a)(1).
3. “Manufacturer” is defined expansively to include “any person engaged in . . . importing such vehicles or engines for resale.” 42 U.S.C. § 7550(1).

4. The Act further prohibits “any person” from importing a new motor vehicle or new motor vehicle engine unless it is covered by a COC in effect at the time of importation.
42 U.S.C. § 7522(a)(1).
5. A motor vehicle is “any self-propelled vehicle designed for transporting persons or property on a street or highway.” 42 U.S.C. § 7550(2). A light-duty vehicle is “a passenger car or passenger car derivative capable of seating 12 passengers or less.”
40 C.F.R. § 86.082-2.
6. Imported motor vehicles or engines are “new” if manufactured after the regulations applicable to the vehicle or engine take effect. 42 U.S.C. § 7550(3).
7. The EPA promulgated emission regulations for model year 1977 and later motor vehicles including emission standards and requirements that the manufacturer obtain certificates of conformity. Those regulations are codified at 40 C.F.R. Part 86, Subparts A - C.
8. 40 C.F.R. § 85.1703(a) sets forth the criteria for distinguishing between a nonroad vehicle and a motor vehicle subject to the motor vehicle requirements. If a vehicle displays specified features making highway travel unsafe, impractical, or unlikely, the vehicle is not defined as a motor vehicle, but is, instead, defined and regulated as a nonroad vehicle. In addition, a vehicle that is not capable of travel at a speed in excess of 25 miles per hour is generally not a motor vehicle.
9. Anyone who offered for sale, introduced into commerce, delivered for introduction into commerce, or imported into the United States a new motor vehicle that was not covered by a COC—or anyone who caused any of the foregoing—is subject to a civil penalty up to \$32,500 for each such vehicle imported between March 15, 2004, and January 12,

2009, and up to \$37,500 for each such vehicle imported after January 12, 2009. 42 U.S.C. § 7524(a); 40 C.F.R. § 19.4.

10. In lieu of commencing a civil action for violations of the Act and implementing regulations controlling mobile source emissions, the EPA may assess a civil penalty that may not exceed \$295,000 for penalties effective after January 12, 2009. *See* 42 U.S.C. § 7524(c); 40 C.F.R. § 19.4.

Violations

11. On or about November 18, 2008, November 25, 2008, December 4, 2008, December 10, 2008, December 15, 2008, December 16, 2008, and December 23, 2008, Respondent imported 107 minitrucks described in Attachment 1 below (Subject Vehicles) into the Port of St. Louis.
12. By checking box F on EPA import form #3520-21, Respondent represented at the time of importation that the Subject Vehicles were recreational spark ignition engines governed by 40 C.F.R. Part 1051 and 1068.
13. Inspection by the United States Customs and Border Protection (CBP) and review by the EPA determined that the Subject Vehicles had safety and on-highway features such as speedometers, headlights, and taillights. No devices had been installed in any of the gear shift mechanisms of the Subject Vehicles that would limit shifting, and thus speed, to only first and reverse gears. Past experience with these makes and models of vehicles leads the EPA to conclude that these vehicles were designed with top speeds in excess of 25 miles per hour.

14. Based on the factors set forth in paragraph 13, the EPA concludes that the Subject Vehicles are classified as motor vehicles and not as nonroad vehicles. 40 C.F.R. § 85.1703.
15. The vehicles were cut apart into components and were declared as parts.
16. The EPA's "Kit Car Policy" addresses the importation of used vehicle parts, providing that parts constituting a disassembled motor vehicle or constituting an approximate motor vehicle are motor vehicles.
17. A vehicle with the top cut off constitutes a disassembled motor vehicle because it contains all of the major components that are required for assembly and thus approximates a motor vehicle. Accordingly, the EPA asserts the Subject Vehicles are motor vehicles as defined in 40 C.F.R. § 85.1703.
18. At the time of importation, Respondent had neither applied for nor received a certificate of conformity for any of the models included in the Subject Vehicles. Thus, the Subject Vehicles were imported in violation of Section 203(a)(1) of the Act, 42 U.S.C. § 7522(a)(1).
19. Based on the forgoing, the EPA alleges that Respondent committed 107 violations of section 203(a)(1) of the Act, 42 U.S.C. § 7522(a)(1).

Civil Penalty

20. Respondent must pay to the United States a civil penalty of \$45,000 (EPA penalty).
21. Respondent agrees to pay the EPA penalty to the United States within 30 calendar days immediately following the effective date of this Agreement, as defined in paragraph 25 of this Agreement. Late payment of the EPA penalty is subject to interest and fees as specified in 31 U.S.C. § 3717, and such interest and fees must be paid by Respondent on

demand by the United States. Respondent agrees to pay the amount in the manner specified in either paragraph a. or b. below:

- a. Mail by United States Postal Service a certified check or cashier's check, payable to the United States of America, to:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, MO 63197-9000
ATTN: AED/MSEB # 7843

This check must be identified with the case number AED/MSEB # 7843, and Respondent's name. Simultaneously, scan and email a copy of the check to Meetu Kaul, at kaul.meetu@epa.gov.

- b. Pay online through the Department of the Treasury using www.pay.gov. In the Search Public Form field, enter SFO 1.1, click EPA Miscellaneous Payments - Cincinnati Finance Center and complete the SFO Form Number 1.1. The payment must be identified with case number AED/MSEB # 7843. Within 24 hours of payment, scan and email a copy of the receipt to kaul.meetu@epa.gov.
22. Respondent agrees to pay a stipulated penalty of \$1,000 per calendar day for its failure to timely pay the civil penalty or provide proof of such payment according to paragraph 21. Respondent must pay any stipulated penalty in the manner specified in paragraph 21 and do so within 30 calendar days of the day that Respondent receives written notice from the EPA.

Effect of Agreement

23. This Agreement resolves the EPA's civil claims for the violations alleged in paragraphs 11-19 of this Agreement. The resolution of claims set forth in this Paragraph take effect upon the receipt by the United States of the civil penalty payment required by paragraphs 20-21. Nothing herein limits the EPA's authority to proceed against Respondent in the event of default or noncompliance with this Agreement, for violations of the Act that are not the subject matter of this Agreement, for other violations of law, or with respect to other matters not within the scope of this Agreement. This Agreement in no way affects or relieves Respondent of responsibility to comply with other state, federal, or local laws or regulations.

General Provisions

24. All correspondence or notifications required by this Agreement must be in writing and emailed to Meetu Kaul at kaul.meetu@epg.gov or mailed to:

(Postal Service Mail)

Meetu Kaul
U.S. EPA
Mail Code 2242A
1200 Pennsylvania Ave., NW
Washington, DC 20460
Attn: AED/MSEB # 7843

(Courier Service)

Meetu Kaul
U.S. EPA
Ariel Rios South, Room 1147A
1200 Pennsylvania Ave., NW
Washington, DC 20004
Attn: AED/MSEB # 7843

25. This Agreement becomes effective upon the date executed by the EPA (effective date of the Agreement), at which time a fully executed electronic copy will be returned to Respondent.
26. Respondent represents that the individual or individuals executing this Agreement on behalf of Respondent are authorized to do so and that such execution is intended and is sufficient to bind Respondent, its agents, assigns, or successors.

27. This Agreement may be signed in any number of counterparts, each of which will be deemed an original and, when taken together, constitute one agreement. The counterparts are binding on each of the parties individually as fully and completely as if the parties had signed one single instrument, so that the rights and liabilities of the parties will be unaffected by the failure of any of the undersigned to execute any or all of the counterparts. Any signature page may be detached from any counterpart and attached to any other counterpart of this Agreement.
28. Notwithstanding any other provision of this Agreement, the parties agree that upon default or failure of Respondent to comply with the terms of this Agreement, the EPA may refer this matter to the United States Attorney General for collection pursuant to Section 205(c) of the Act, 42 U.S.C. § 7524(c), commence an action to enforce this Agreement or to recover the civil penalty pursuant to Section 205 of the Act, or pursue any other remedies available to it. Respondent expressly waives its right to assert that such engines are certified or exempt from the certification requirements, or that such action is barred by 28 U.S.C. § 2462, other statutes of limitation, or other provisions limiting actions as a result of passage of time.
29. Respondent waives its rights, if any, to a hearing, trial, or any other proceeding on any issue of fact or law relating to the matters agreed to herein.
30. The validity, enforceability, and construction of all matters pertaining to this Agreement shall be determined in accordance with applicable federal law.
31. This Agreement is contingent upon the truthfulness, accuracy, and completeness of Respondent's disclosures and representations to the EPA under this Agreement, including but not limited to Respondent's representations that the Subject Vehicles have been

abandoned, and on information received from CBP that the Subject Vehicles have either been sold for export or destroyed. To the extent that Respondent abandoned the Subject Vehicles, Respondent shall be considered to have remediated the violations in accordance with this Agreement.

32. This Agreement constitutes the entire agreement and understanding of the parties and supersedes any prior agreements or understandings, whether written or oral, among the parties with respect to the subject matter hereof.
33. Respondent may not delegate its duties under this Agreement to any other party without the written consent of the EPA, which may be granted or withheld at the EPA's sole discretion. If the EPA so consents, the Agreement is binding on the party or parties to whom the duties are delegated.
34. Nothing in this Agreement, whether express or implied, is intended or will be construed to confer on or give to any party, other than the EPA and Respondent, any rights, remedies, or other benefits.
35. This Agreement in no way affects or relieves Respondent of responsibility to comply with other federal, state, or local laws or regulations.

SIGNATURES ON FOLLOWING PAGES

United States Environmental Protection Agency

Administrative Settlement Agreement In the Matter of G&R Imports, Inc., Respondent

AEC/MSEB # 7843

The following agrees to the terms of this Agreement:

G&R Imports, Inc.

By  Date: 6-6-13

Typed or Printed Name: Michael K. Zampieri

Typed or Printed Title: President

Federal Tax Identification Number: 45-3579244

U.S. Environmental Protection Agency

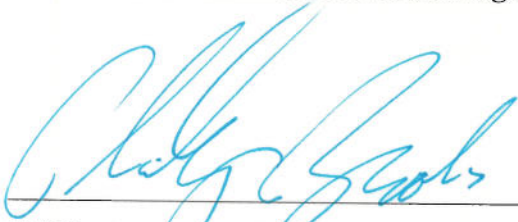
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AEC/MSEB # 7843

The following agrees to the terms of this Agreement:

United States Environmental Protection Agency

By:



Phillip A. Brooks, Director
Air Enforcement Division
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency

Date: 7/30/2013

Attachment 1

List of Imported Vehicles with VIN or Model

Entry #	Vehicle VIN or model
605-5533725-6	Sambar
	DD51T474076
	U42T0123136
	U62V0302905
	Hijet
	Hijet
	HA41004222
	KS4228976
	DF51V602884
	Hijet
	Hijet
	605-5533726-4
S110V040506	
DD51T426853	
KV4180889	
KV4167235	
KS4052867	
KS4206277	
KS4125865	
KS4205813	
KS4011465	
U42T0522397	
DD51T326043	
S110P102811	
DB52V181943	
605-5533729-8	
	U42T-0501128
	U42T-0118740
	DC51T-461433
	DD51T-141122
	DB51T-121000
	KS4-199397
	KV4-076469
	S83P-018594
	S83P-022164
	S83P-078543
	S83P-077993

Entry #	Vehicle VIN or model
605-5533915-3	S83P-012700
	KS4-016265
	KV4072197
	KS4-278977
	S110P-017681
	KS4-036966
	KS4-206379
	S110C-500095
	U42T-0519740
	DB51T-135005
	DB51T-179865
	KS4-242547
	U42T-0427577
	DD51T-405097
	DB51T-141360
	S83P-078948
	KS4-311893
	HA4-2034644
	DB51T-185432
	KS4-220985
	S83P-113336
HA4-1007115	
605-5533945-0	DB51T-206735
	U42T-0027190
	DD51T-324292
	DA63T-182359
	DD51T-158470
	DA52T-189695
	DD51T-167976
	S110P-039208
	S110P-058168
	DD51T-341865
U42T-0222032	
U42T-0418045	
KS4-19109	
KS4-021887	

Entry #	Vehicle VIN or model
605-5533944-3	U42T-0420749
	S210P-0209177
	DD51T-514849
	U42T-0421888
	DD51T-117004
	DD51T-360150
	U42T-0001204
	HA7-11000954
	S130V-010939
	KS4-217926
	DD51T-401242
605-5533968-2	U42V-0405413
	U42V-0124982
	DB51T-181610
	DB51T-172670
	S110P-028457
	S83P-042024
	KS4-189778
	S83P-104494
	S210V-0006869
	S83P-137315
DB51T-146467	

Entry #	Vehicle VIN or model
605-5533969-0	DB51T-186548
	S83P-115012
	DK51T-393410
	U42T-0430822
	S110P-069317
	DB51T-141759
	S83P-054213
	DB51T-134826
	DB51T-171619
	U42T-0006495
	U42T-0454209
S83P-002713	