

Enclosure
CLEAN AIR ACT MOBILE SOURCE EXPEDITED SETTLEMENT AGREEMENT

DOCKET NO. CAA-12-7988

Respondent: Ilya Khait, President and CEO
Irbit MotorWorks of America, Inc.
15205 NE 95th Street
Redmond, WA 98052

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 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 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, 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 Air Enforcement Division Director's ratifying signature.

APPROVED BY EPA:

for Phillip A. Brooks
Phillip A. Brooks, Director, Air Enforcement Division

Date: 12/9/11

APPROVED BY RESPONDENT:

Name (print): Ilya Khait

Title (print): President, CEO

Signature: *Ilya Khait*

Date: 12/12/11

RATIFIED BY EPA:

for Phillip A. Brooks
Phillip A. Brooks, Director, Air Enforcement Division

Date: 12/22/11

Table 1 - Inspection Information

Entry/Inspection Date(s):		Docket Number:	
November 1, 2011		C A A - 1 2 - 7 9 8 8	
Inspection Location:		Entry/Inspection Number(s)	
H&M Warehouse		A L X - 0 1 0 8 2 7 9 - 7	
Address:			
700 Belleville Turnpike			
City:		Inspector(s) Name(s):	
Kearny		Jorquera, Isin, Fitzpatrick, Slyzis, Lonergan and Kan	
State:	Zip Code:	EPA Approving Official:	
NJ	07032	Phillip A. Brooks	
Respondent:		EPA Enforcement Contact:	
Irbit MotorWorks of America, Inc.		John Dolinar (212) 637-3204	

Table 2 - Description of Violation and Vehicles/Engines

On October 24, 2011, Irbit Motor Works of America (Irbit) imported seventeen 750cc highway motorcycles into the Port of Newark, NJ. EPA inspected one motorcycle from this entry and determined that it was not equipped with a carburetor. Inquiry with Irbit revealed that none of the motorcycles in this shipment had any carburetors, because the carburetors are manufactured in Japan, and their production was delayed by the 2011 Tohoku earthquake. Irbit opted to import the incomplete motorcycles from Russia and the carburetors separately from Japan, for final assembly in the U.S. However, Irbit stated in its application for certification that the subject motorcycles would be imported in a fully assembled state. The certificate of conformity (COC) does not cover motorcycles that are materially different from the certified design. Since the certified design contains a carburetor and the imported motorcycles do not, the COC does not cover the seventeen imported motorcycles. Thus, Irbit has imported the seventeen motorcycles in violation of Section 203(a)(1) of the Act, 42 U.S.C. § 7522(a)(1) and regulations at 40 C.F.R. § 86.407-78. Irbit states that these are the only motorcycles it has imported in an incomplete configuration.

Equipment Description	Engine Family	Manufacturer	Model Year	Quantity
Highway motorcycles with 750 cc engines	CIMFC.750A02 Gear Up model	Irbit Motorcycle Factory	2012	17

Table 3 - Penalty and Required Remediation

Penalty	\$10,000
Required Remediation	Irbit must provide EPA with a report and documentation proving that carburetors matching the certified design were properly installed on all 17 highway motorcycles. In addition, Irbit must provide a report in accordance with Table 4.