

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

In the Matter of:

Northern Tool & Equipment Company, Inc.,  
Respondent.

Administrative Settlement Agreement  
AED/MSEB # 7952

**Purpose**

1. The United States Environmental Protection Agency (EPA) has promulgated regulations to control emissions from mobile sources of air pollution 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 Northern Tool & Equipment Company, Inc. (Northern Tool) enter into this Administrative Settlement Agreement (Agreement) to resolve alleged violations of sections 203 and 213 of the Act, 42 U.S.C. §§ 7522 and 7547, and 40 C.F.R. Parts 86, 90, 1051, 1054, and 1068.

**Governing Law**

2. General Statutory Provisions
  - a. Section 203(a)(1) of the Act, 42 U.S.C. § 7522(a)(1), prohibits a manufacturer from selling, offering for sale, introducing, or delivering for introduction into commerce, or importing, any vehicle or engine after the applicable effective date of the regulations, unless such vehicle or engine is covered by a certificate of conformity (COC) issued by the EPA.

- b. Section 213(d) of the Act, 42 U.S.C. § 7547(d), states that nonroad vehicle and engine standards “shall be enforced in the same manner as the standards prescribed under section 7521” of the Act and that the “Administrator shall revise or promulgate regulations as may be necessary to determine compliance with, and enforce, standards in effect under” section 213(d) of the Act, 42 U.S.C. § 7547(d).
- c. Rather than referring a matter to the United States Department of Justice to commence a civil action, the EPA may assess a civil penalty through its own administrative process if the penalty sought is less than \$295,000. 42 U.S.C. § 7524(c); *see also* 40 C.F.R. § 19.4 (increasing the administrative penalty cap to \$295,000 for violations after January 12, 2009).

3. Part 90 Nonroad Spark-Ignition Engines (SI Engines)

- a. Model year 2007 and 2008 nonroad SI engines with power at or below 19 kilowatts (kW) must comply with 40 C.F.R. Part 90. 40 C.F.R. §§ 90.1, 90.2(a), 1054.1(a)(3).
- b. 40 C.F.R. § 90.1003(a)(1)(ii) prohibits any person from importing into the United States any Part 90 SI engine unless such engine is covered by a COC issued by the EPA.
- c. An engine manufacturer is 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. 40 C.F.R. § 90.3.
- d. In the application for a COC, the Part 90 SI engine manufacturer must include a description of all adjustable operating parameters. 40 C.F.R. § 90.107(d)(6).
- e. As stated on each COC, a COC covers only those engines that conform in all material respects to that which was described in the application for that COC.

- f. 40 C.F.R. § 90.1003(a)(4)(ii) prohibits manufacturers from selling, offering for sale, introducing into commerce, or delivering for introduction into commerce a Part 90 SI engine unless a label or tag is affixed to the engine in accordance with 40 C.F.R. § 90.114.
- g. Under 40 C.F.R. § 90.114, the original engine manufacturer must affix a permanent and legible label indentifying the engine and listing the full corporate name and trademark of the engine manufacturer to each Part 90 SI engine at the time of manufacture. 40 C.F.R. § 90.114(a), (c)(2). The label must be readily visible to the average person after the engine is installed in the vehicle. 40 C.F.R. § 90.114(a)(5). The label must not be removable without being destroyed or defaced. 40 C.F.R. § 90.114(a)(1).
- h. Under 40 C.F.R. § 90.1006(a), any person who violates 40 C.F.R. § 90.1003(a)(1) or 90.1003(a)(4) between March 15, 2004 and January 12, 2009 is subject to a civil penalty of not more than \$32,500 for each violation.

#### 4. Part 1054 Nonroad SI Engines

- a. Model year 2010 and 2011 handheld SI engines with power at or below 19 kW must comply with 40 C.F.R. Parts 1054 and 1068. 40 C.F.R. §§ 1054.1(a), 1068.1(a)(9).
- b. A manufacturer may not sell, offer for sale, introduce into commerce, deliver for introduction into commerce, or (in the case of any person) import into the United States any new SI engines with power at or below 19 kW after emission standards take effect for that equipment unless it is covered by a valid COC. 40 C.F.R. § 1068.101(a)(1).

- c. Engines and equipment are not covered by a COC unless they are produced during the period specified in the COC and conform to the specifications described in the COC and the associated application for the COC. 40 C.F.R. § 1068.103(a). To be covered by a COC, engines and equipment must be in a configuration described in the application for certification. 40 C.F.R. § 1068.101(a)(1)(i).
- d. Under 40 C.F.R. § 1054.15(c), the requirements and prohibitions of 40 C.F.R. Part 1068 apply to any person who manufactures or imports Part 1054 SI engines.
- e. Part 1054 SI engines that have adjustable parameters must meet all of the requirements of Part 1054 for any adjustment in the physically adjustable range. 40 C.F.R. § 1054.115(b). Adjustable parameters are elements of design that, if adjusted, may affect emissions or engine performance during in-use testing or normal in-use operation. Adjustable parameters must be described in the engine's COC application. 40 C.F.R. § 1054.205(q).
- f. Labels identifying the engine's emission control information must be permanently affixed to each Part 1054 SI engine. 40 C.F.R. § 1054.135(a)-(c). The manufacturer and importer of Part 1054 SI engines may not introduce into commerce or import into the United States Part 1054 SI engines unless it has the required engine label. 40 C.F.R. § 1068.101(a)(1).
- g. The EPA may assess a civil penalty of up to \$37,500 for each violation of 40 C.F.R. § 1068.101(a)(1).

#### 5. Recreational Vehicles

- a. Model year 2010 all-terrain vehicles (ATVs) must comply with 40 C.F.R. Parts 1051 and 1068. 40 C.F.R. § 1051.1(a), (c).

- b. A manufacturer may not sell, offer for sale, introduce into commerce, deliver for introduction into commerce, or (in the case of any person) import into the United States any new recreational vehicle after emission standards take effect for that vehicle unless it is covered by a valid COC. 40 C.F.R. § 1068.101(a)(1).
- c. Engines and equipment are not covered by a COC unless they are produced during the period specified in the COC and conform to the specifications described in the COC and the application for that COC. 40 C.F.R. § 1068.103(a). To be covered by a COC, engines and equipment must be in a configuration described in the application for certification. 40 C.F.R. § 1068.101(a)(1)(i).
- d. Under 40 C.F.R. § 1051.15(c), the requirements and prohibitions of 40 C.F.R. Part 1068 apply to any person who manufactures or imports recreational vehicles.
- e. Recreational vehicles that have adjustable parameters or other adjustments must meet all of the requirements of the Act for any adjustment in the physically adjustable range. 40 C.F.R. § 1051.115(c), (d). Adjustable parameters are elements of design that, if adjusted, may affect emissions or engine performance during in-use testing or normal in-use operation. 40 C.F.R. § 1051.801. An other adjustment is present if an experienced mechanic can change a vehicle's air-fuel ratio in less than one hour with a few parts whose total cost is under \$50 (in 2001 dollars). Examples include carburetor jets and needles. 40 C.F.R. § 1051.115(d). Adjustable parameters and other adjustments must be described in the COC application. 40 C.F.R. §§ 1051.115(d), 1051.205(q).
- f. The EPA may assess a civil penalty of up to \$37,500 for each violation of 40 C.F.R. § 1068.101(a)(1).

## 6. On-Highway Motorcycles

- a. Model year 2009 on-highway gasoline-fueled motorcycles with engine displacements over 50 cubic centimeters (cc) must comply with Subpart E of 40 C.F.R. Part 86. 40 C.F.R. § 86.401-97. A motorcycle is any motor vehicle with a headlight, taillight, and stoplight, two or three wheels, and a curb mass less than or equal to 793 kilograms (1,749 pounds). 40 C.F.R. § 86.402-98.
- b. The Act prohibits manufacturers of new motor vehicles from selling, offering for sale, or introducing or delivering for introduction into commerce—or causing any of the foregoing—any new motor vehicle or new motor vehicle engine unless the vehicle or engine is covered by a COC issued by the EPA under regulations prescribed by the Act. 42 U.S.C. § 7522(a)(1); 40 C.F.R. § 86.407-78.
- c. A COC application must include a description of all fuel system components and the range of available fuel and ignition system adjustments. 40 C.F.R. § 86.416-80. This description must specify all adjustable parameters, such as an idle-mixture screw (a low-speed, fuel-system adjustment of the air-to-fuel ratio). Such parameters may not be adjustable if they are secured with stops, seals, or locks. In reviewing a COC application, the EPA evaluates the adjustability of the parameters based on information provided in the COC application. Upon inspection, if and when that occurs, to determine the adequacy of stops, seals, or locks, the EPA will consider whether the average operator or mechanic could deactivate the stops, seals, or locks in a reasonable amount of time using common hand tools. EPA Advisory Circular MC-6 (1978), *available at* [http://iaspub.epa.gov/otaqpub/display\\_file.jsp?docid=14384&flag=1](http://iaspub.epa.gov/otaqpub/display_file.jsp?docid=14384&flag=1).

- d. The EPA issues COCs on whatever terms the EPA deems necessary to ensure that any new motorcycle covered by the COC will meet the requirements of the Act and its regulations. 40 C.F.R. § 86.437-78(a)(2)(ii), (b)(3). By the terms on the face of each COC, a COC covers only those highway motorcycles that conform in all material respects to the specifications in the COC application. *See also* 40 C.F.R. § 86.437-78(a)(2)(iii), (b)(4).
- e. Anyone who, between March 15, 2004, and January 12, 2009, sold, offered for sale, introduced into commerce, delivered for introduction into commerce, or imported into the United States a highway motorcycle that was not covered by a COC or was improperly labeled—or anyone who caused any of the foregoing—is subject to a civil penalty up to \$32,500 for each such vehicle. 42 U.S.C. § 7524(a); 40 C.F.R. §§ 19.4.

### **Violations**

#### 7. Part 90 Nonroad SI Engines

- a. Between February 2007 and July 2008, Northern Tool imported into the United States 2,161 model ESH350A gas-powered cutoff saws containing SI Engines with a power of 2.4 kW. *See* Table 1. These engines are governed by 40 C.F.R. Part 90.
- b. On January 9, 2009, the EPA inspected a model ESH350A gas-powered cutoff saw purchased online from Northern Tool's website, [www.northerntool.com](http://www.northerntool.com). This engine is representative of the 2,161 model ESH350A gas-powered cutoff saws identified in Table 1.
- c. This inspection revealed that the emission control information label was easily removed, and therefore did not comply with 40 C.F.R. § 90.114(a) which requires that the label to be permanent and not removable without destruction or defacement.

Therefore, Northern Tool violated 40 C.F.R. § 90.1003(a)(4)(ii) when it imported and introduced into commerce the 2,161 model ESH350A gas-powered cutoff saws identified in Table 1.

- d. This inspection also revealed that the engine had two catalyts while the application for certification for engine family 7CHNS.064F49 stated the engine had one catalyts. Given this material nonconformity, the COC for engine family 7CHNS.064F49 does not cover this engine, nor does any other COC. Therefore, Northern Tool violated 40 C.F.R. § 90.1003(a)(1)(ii) when it imported the 2,161 uncertified model ESH350A gas-powered cutoff saws identified in Table 1.
- e. This inspection also revealed that the engine's carburetor had an adjustable air-fuel mixture screw while the application for certification for engine family 7CHNS.064F49 described no adjustable parameters. Therefore, Northern Tool violated 40 C.F.R. § 90.1003(a)(1)(ii) when it imported the 2,161 uncertified model ESH350A gas-powered cutoff saws identified in Table 1.
- f. In sum, the EPA has determined that Northern Tool committed 2,161 violations of 40 C.F.R. §§ 90.1003(a)(1)(ii) and 90.1003(a)(4)(ii) when it imported the model ESH350A SI Engines.



<b>Table 1: Import Data for Subject Part 90 Nonroad SI Engines</b>						
<b>Engine Manufacture, Model Number</b>	<b>Model Year</b>	<b>Engine Family</b>	<b>Engine Power</b>	<b>Entry Number</b>	<b>Date of Import</b>	<b>Quantity</b>
China Hangyu Group Co., EHS350A	2007	7CHNS.064F49	2.4 kW	H41-3919432-2	02/10/2007	220
				H41-3919982-6	04/26/2007	255
				691-0075720-7	06/30/2007	250
				691-0076837-8	08/28/2007	235
				691-0078045-6	11/23/2007	255
				691-0078811-1	12/30/2007	208
				691-0081332-3	05/17/2008	255
				691-0081835-5	06/17/2008	250
				691-0082539-2	07/23/2008	233
				<b>Total: 2,161</b>		
Fuji Heavy Industries Ltd., Robin EH12	2008	8FJXS.1211GB	4.5 HP	100-0378178-7	08/30/2008	20
				691-0085088-7	12/05/2008	10
				100-7008445-3	03/09/2009	14
				<b>Total: 44</b>		

- g. Between August of 2008 and March of 2009, Northern Tool imported into the United States 44 nonroad Robin EH12 SI Engines with a power of 3.1 kW. *See* Table 1. These engines are governed by 40 C.F.R. Part 90.
- h. On April 8, 2009, the EPA inspected one of the Robin EH12 SI Engines at a Northern Tool distribution warehouse in Fort Mill, South Carolina. This engine is representative of the 44 Robin EH12 SI Engines identified in Table 1.
- i. This inspection revealed that the EPA emission control label was obscured by steel plating in violation of 40 C.F.R. § 90.114(a)(5) which requires the label to be readily visible to the average person. Therefore, Northern Tool violated 40 C.F.R. § 90.1003(a)(4)(ii) when it imported the 44 Robin EH12 SI Engines identified in Table 1.

## 8. Part 1054 Nonroad SI Engines

- a. In February 2011, Northern Tool imported into the United States 300 Powerhorse 18” chainsaws. In June and July 2011, Northern Tool imported into the United States another 1,554 Powerhorse 18” chainsaws. *See* Table 2. These 1,854 chainsaws containing small SI engines with a power of 1.5 kW that are governed by 40 C.F.R. Parts 1054 and 1068.
- b. On July 14, 2010, the EPA inspected a Powerhorse 18” chainsaw purchased from a Northern Tool store in Hampton, Virginia. This engine is representative of the 1,854 Powerhorse 18” chainsaw engines identified in Table 2.
- c. This inspection revealed that the carburetor idle fuel mixture screws on the 18” chainsaw could be adjusted using a screwdriver. The engine thus has adjustable parameters while the COC application stated that there were no adjustable parameters. Given this material nonconformity, neither the COC for engine family AZJTS.0454YY, nor the COC for engine family BZJTS.0454YY, nor any other COC covers these engines. Therefore, Northern Tool violated 40 C.F.R. § 1068.101(a)(1) when it imported and introduced into commerce the 1,854 uncertified Powerhorse 18” chainsaws identified in Table 2. Subsequent testing demonstrated that a representative engine from engine family BZJTS.0454YY emitted hydrocarbons, carbon monoxide, and oxides of nitrogen at levels significantly in excess of the applicable emission standards. 40 C.F.R. § 1054.103.
- d. This inspection also revealed that the label on the Powerhorse 18” chainsaw did not contain information on the emission control system even though 40 C.F.R. § 1054.135(c) requires engines to have a permanently affixed label identifying the

emission control system. Therefore, Northern Tool violated 40 C.F.R.

§ 1068.101(a)(1) when it imported and introduced into commerce the 1,854

Powerhorse 18" chainsaws identified in Table 2.

<b>Table 2: Import Data for Subject Part 1054 Nonroad SI Engines</b>						
<b>Engine Manufacturer</b>	<b>Model Year</b>	<b>Engine Family</b>	<b>Engine Power</b>	<b>Entry Number</b>	<b>Date of Import</b>	<b>Quantity</b>
Zhejiang ZhongJian Technology Co., Ltd.	2011	BZJTS.0454YY	1.5 kW	691-0102545-5	06/20/2011	682
				691-0103084-4	07/19/2011	872
	2010	AZJTS.0454YY		691-0100238-9	02/01/2011	300
<b>Total: 1,854</b>						

## 9. Recreational Vehicles

- a. On August 31, 2010, Northern Tool imported into the United States the 104 recreational vehicles identified in Table 3. These recreational vehicles are governed by 40 C.F.R. Parts 1051 and 1068.
- b. On September 13, 2010, the EPA inspected a carburetor from one such recreational vehicle obtained by the United States Customs and Border Protection in Savannah, Georgia. The carburetor is representative of the carburetors from the 104 recreational vehicles identified in Table 3.
- c. This inspection revealed that the carburetor bowl was removable and able to be reinstalled in less than 40 minutes without specialty tools. Replacement of carburetor jets with readily available larger or smaller jet changes the air-fuel ratio, and therefore qualifies as an other adjustment. 40 C.F.R. § 1051.115(d). The application for certification states that there are no adjustable parameters or other adjustments and that the carburetor bowl is permanently sealed. Given this material nonconformity, the COC for engine family ABJMX.107DB does not cover this vehicle, nor does any

other COC. Therefore, Northern Tool violated 40 C.F.R. § 1068.101(a)(1) when it imported the 104 uncertified recreational vehicles identified in Table 3.

<b>Table 3: Import Data for Subject Recreational Vehicles</b>						
<b>Vehicle Manufacturer, Model Number</b>	<b>Model Year</b>	<b>Carburetor Manufacturer, Model Number</b>	<b>Engine Family</b>	<b>Engine Power</b>	<b>Entry Number</b>	<b>Quantity</b>
Chongqing Hensim Group Co., Ltd. WR90	2010	Sheng Wey, 05310328	ABJMX.107DB1	90 cc	100-70137228	104

#### 10. On-Highway Motorcycles

- a. In September and October 2008, Northern Tool imported into the United States the 208 PAN 50 on-highway motorcycles identified in Table 4. These motorcycles are governed by 40 C.F.R. Part 86, Subpart E and section 203(a)(1) of the Act, 42 U.S.C. § 7522(a)(1).
- b. On April 8, 2009, the EPA inspected one of the PAN 50 on-highway motorcycles at a Northern Tool distribution warehouse in Fort Mill, South Carolina. This motorcycle is representative of the 208 PAN 50 on-highway motorcycles identified in Table 4.
- c. The inspection revealed that the carburetor had an adjustable air-fuel mixture screw. The vehicle control information label submitted with the application for certification states "Idle-mixture: Non Adjustable," and 40 C.F.R. § 86.416-80(a)(2)(ii) requires the application for certification to specify the range of available fuel and ignition system adjustments. Given this material nonconformity, the COC for engine family 9HRCC.049STR does not cover this motorcycle, nor does any other COC. Therefore, Northern Tool violated section 203(a)(1) of the Act, 42 U.S.C. § 7522(a)(1), when it imported and introduced into commerce the 208 uncertified motorcycles identified in Table 4.

d. The inspection also revealed that the cell count for the catalytic converter was 16 cells per square centimeter while the COC application for engine family 9HRCC.049STR described a cell count of 100 cells per square centimeter. Given this material nonconformity, the COC for engine family 9HRCC.049STR does not cover this motorcycle, nor does any other COC. Therefore, Northern Tool violated section 203(a)(1) of the Act, 42 U.S.C. § 7522(a)(1), when it imported the 208 uncertified motorcycles identified in Table 4.

<b>Table 4: Import Data for Subject On-Highway Motorcycles</b>						
<b>Engine Manufacturer, Model Number</b>	<b>Model Year</b>	<b>Engine Family</b>	<b>Engine Size</b>	<b>Entry Number</b>	<b>Date of Import</b>	<b>Quantity</b>
Adly Moto, PAN 50	2009	9HRCC.049STR	49 cc	100-0378487-2	09/20/2008	156
				100-0379491-3	10/26/2008	52
				<b>Total: 208</b>		

#### Civil Penalty

11. Northern Tool must pay to the United States a civil penalty of \$400,000 (EPA Penalty).
12. Northern Tool agrees to pay the EPA Penalty to the United States within the 30 calendar days immediately following the effective date of this Agreement (as defined in ¶ 18). Late payment is subject to interest and fees as specified in 31 U.S.C. § 3717, and such interest and fees must be paid by Northern Tool on demand by the United States. Northern Tool agrees to pay the EPA penalty in the manner specified in subparagraph a. or b. below:
  - a. Mail by United States Postal Service a certified check, cashier's check, or company 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 # 7952

This check must be identified with case number AED/MSEB # 7952 and state that it is remitted by Northern Tool. Simultaneously, scan and email a copy of the check to Evan M. Belser at [belser.evan@epa.gov](mailto:belser.evan@epa.gov).

- b. Pay online through the Department of the Treasury using [www.pay.gov](http://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 # 7952. Within 24 hours of payment, scan and email a copy of the receipt to [belser.evan@epa.gov](mailto:belser.evan@epa.gov).

13. Beside the EPA Penalty, Northern Tool acknowledges that CBP may assess separate penalties related to the subject engines and vehicles.

#### **Stipulated Penalties**

14. Northern Tool agrees to pay a stipulated penalty of:

- c. \$1,000 per day for its failure to timely pay the civil penalty or provide proof of such payment according to ¶ 12; and
- d. \$1,000 per day for its failure to timely provide the certification and documentation required by ¶ 12.

15. Every stipulated penalty must be paid within 30 days of its corresponding precipitating event as listed in ¶ 14 and in the manner specified in ¶ 12 of this Agreement.

#### **Effect of Agreement**

16. On completion of the terms of this Agreement, the alleged violations described in this Agreement will be deemed resolved. Nothing herein limits the EPA's rights to proceed against Northern Tool for its default or noncompliance with this Agreement, for violations of the Clean

Air Act, 42 U.S.C. §§ 7401–7671q, or the Act’s implementing regulations which are not the subject matter of this Agreement, for other violations of law, or with respect to other matters not within the scope of the Agreement.

### General Provisions

17. All correspondence to EPA or notifications required by this Agreement must be in writing and emailed to [belser.evan@epa.gov](mailto:belser.evan@epa.gov) or mailed to:

(U.S. Postal Service Mail)

Evan Belser

U.S. EPA

Mail Code 2242A

1200 Pennsylvania Ave., NW

Washington, DC 20460

Attn: AED/MSEB # 7952

(Courier Service)

Evan Belser

U.S. EPA

Ariel Rios South, Room 1142C

1200 Pennsylvania Ave., NW

Washington, DC 20004

Attn: AED/MSEB # 7952

18. This Agreement becomes effective on the date executed by EPA (effective date of the Agreement), at which time a fully executed electronic copy will be returned to Northern Tool.

19. The individual or individuals executing this Agreement on behalf of Northern Tool are authorized to do so and such execution is intended to and does bind Northern Tool and its agents, successors, and assigns.

20. 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. The parties agree

that an electronic copy, photocopy, or facsimile copy of this Agreement will be of full effect as the original document for all purposes.

21. 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.
22. Northern Tool may not delegate its duties under this Agreement to any other party without the written consent of EPA, which may be granted or withheld at EPA's sole discretion. If EPA so consents, the Agreement is binding on the party or parties to whom the duties are delegated.
23. Notwithstanding any other provision of this Agreement, the parties agree that on Northern Tool's default or failure to comply with the terms of this Agreement, EPA may refer this matter to the United States Attorney General pursuant to § 205 of the Act, 42 U.S.C. § 7524, to commence a civil action against Northern Tool in United States Federal District Court to enforce this Agreement, recover civil and stipulated penalties, and pursue any other available remedies. Northern Tool expressly waives its right to assert that the subject engines and vehicles are certified or exempt from the certification requirements, or that such action is barred by 18 U.S.C. § 3282(a), other statutes of limitation, or other provisions limiting actions as a result of passage of time. Northern Tool acknowledges that EPA intends to use Northern Tool's tax identification number, which Northern Tool has appended to this Agreement, for the purpose of collecting or reporting any delinquent monetary obligations arising from this Agreement. 31 U.S.C. § 7701.
24. The parties agree that the EPA has jurisdiction over Northern Tool and Northern Tool's described above. Northern Tool 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.



25. Nothing in this Agreement, whether express or implied, is intended or will be construed to confer on or give to any party, other than EPA and Northern Tool, any rights, remedies, or other benefits.
26. The validity, enforceability, and construction of all matters pertaining to this Agreement will be determined in accordance with applicable federal law.
27. This Agreement is contingent on the truthfulness, accuracy, and completeness of Northern Tool's disclosures and representations to EPA including, but not limited to, representations regarding importations and the construction and configuration of the subject engines and vehicles.
28. This Agreement in no way affects or relieves Northern Tool of responsibility to comply with other federal, state, or local laws or regulations.

SIGNATURES ON FOLLOWING PAGES

United States Environmental Protection Agency

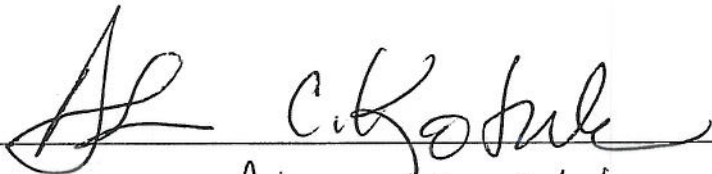
Administrative Settlement Agreement

*In the Matter of Northern Tool & Equipment Company, Inc.*

AED/MSEB # 7952

The following agrees to the terms of this Agreement:

Northern Tool & Equipment Company, Inc.

By: 

Typed or Printed Name: Alan P. Kotuk

Typed or Printed Title: Vice President

Federal Tax Identification Number: 41-1405311

Date: 9/14/2012

**United States Environmental Protection Agency**

**Administrative Settlement Agreement**

*In the Matter of Northern Tool & Equipment Company, Inc.*

**AED/MSEB # 7952**

The following agrees to the terms of this Agreement:

**United States Environmental Protection Agency**

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

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

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