



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C., 20460

OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

CERTIFIED MAIL NO.
RETURN RECEIPT REQUESTED

Wendy Yu
Pacific Rim, LLC
10580 Mulberry Avenue
Fontana, CA 92337

Re: Docket No. CAA-HQ-2022-8424

Dear Ms. Yu:

An authorized representative of the United States federal government conducted an inspection to determine your company's compliance with the Clean Air Act (CAA) and regulations promulgated thereunder. The details of this inspection are outlined in the enclosed Clean Air Act Vehicle and Engine Expedited Settlement Agreement (Agreement). As a result of the inspection, it was determined that your company failed to comply with the CAA and the associated regulations. The Agreement describes the violations.

You may resolve violations using an expedited process that involves significantly lower penalties than those sought through the normal settlement process. The United States Environmental Protection Agency (EPA) is authorized to enter into the Agreement under the authority vested in the EPA Administrator by Section 205(c)(1) of the CAA, 42 U.S.C. § 7524(c)(1). After the Agreement becomes effective, the EPA will take no further civil penalty action against your company for the specific violation(s) described in the Agreement. However, the EPA does not waive any rights to take an enforcement action for any other past, present, or future violations of the CAA or of any other federal statute or regulation.

If you do not sign and return the enclosed Agreement as presented within **30 calendar days** of its receipt, and meet all of your obligations under the Agreement, the proposed Agreement is withdrawn, with no need of additional notice to you, and without prejudice to the EPA's ability to file any other enforcement action for the violation(s) identified in the Agreement and seek penalties of up to \$51,796 per violation pursuant to 40 C.F.R. § 19.4. Please refer to "CAA Vehicle and Engine Expedited Settlement Agreement Instructions," attached, for instructions on accepting this Agreement.

Please contact Victor Aguilar at (202) 564-9679 or aguilar.victor@epa.gov with any questions.

Sincerely,

MARY
GREENE

Digitally signed by MARY
GREENE
Date: 2022.03.03
19:44:28 -05'00'

Mary E. Greene, Director
Air Enforcement Division
Office of Civil Enforcement

Enclosures

1. Clean Air Act Vehicle and Engine Expedited Settlement Agreement, Docket No. CAA-HQ-2022-8424
2. CAA Vehicle and Engine Expedited Settlement Agreement Instructions
3. Small Business Resources Information Sheet available at: <https://www.epa.gov/compliance/small-business-resources-information-sheet>

Enclosure

CLEAN AIR ACT VEHICLE AND ENGINE EXPEDITED SETTLEMENT AGREEMENT

DOCKET NO. ICAA-HQ-2022-8424 i

Respondent: i Pacific Rim,
10580 Mulberry Ave
ontana, CA, 92337

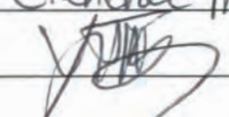
1. The parties enter into this Clean Air Act Vehicle and Engine Expedited Settlement Agreement (Agreement) in order to settle the civil violation(s) discovered as a result of the inspection(s) specified in Table 1, attached, incorporated into this Agreement by reference. The civil violation(s) that are the subject of this Agreement are described in Table 2, attached, incorporated into the Agreement by reference, regarding the vehicle(s)/engine(s) specified herein.
- 2.i Respondent admits to being subject to the Clean Air Act (CAA) and its associated regulations and that the United States Environmental Protection Agency (EPA) has jurisdiction, pursuant to CAA Section 205(c)(1), 42 U.S.C. § 7524(c)(1), over the Respondent and the Respondent's conduct described in Table 2.i Respondent neither admits nor denies the findings detailed therein and waives any objections Respondent may have to the EPA's jurisdiction.
- 3.i Respondent certifies that payment of the penalty has been made in the amount of \$100,000. Respondent has followed the instructions in "CAA Vehicle and Engine Expedited Settlement Agreement Instructions," attached, incorporated into this Agreement by reference. Respondent certifies that the required remediation, specified in Table 3 and incorporated into this Agreement by reference, has been carried out.
- 4.i By its first signature below, the EPA approves the findings resulting from the inspection(s) and alleged violation(s) set forth in Table 1 and Table 2. Upon signing and returning this Agreement to the 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's Delegated Official's ratifying signature.
- 5.i The parties consent to service of this Agreement by electronic delivery at the Respondent's e-mail noted below.

APPROVED BY EPA: i **MARY GREENE**
Digitally signed by MARY GREENE
 Date: 2022.03.03 19:45:04 -05'00'

Date: _____ i

Delegated Official: Mary Greene, Director, Air Enforcement Division i

APPROVED BY RESPONDENT: i

Name (print): i Wendy Yu
 Title (print): i General Manager
 Signature: 

Email (print): icebear12@gmail.com

Date: i 3/10/2022

RATIFIED BY EPA: **MARY GREENE**
Digitally signed by MARY GREENE
 Date: 2022.05.03 17:20:30 -04'00'

Date: _____ i

Delegated Official: Mary Greene, Director, Air Enforcement Division i

Inspection Date	Inspection Location (Port)	Entry Number	Importer	Date of CBP Detention	Inspector
10/05/2021	International Falls Port of Entry	8UE:00566850	Respondent	10/04/2021	Victor Aguilar, Mario Jorquera
10/05/2021	International Falls Port of Entry	8UE:00566926	Respondent	10/04/2021	Victor Aguilar, Mario Jorquera
10/05/2021	International Falls Port of Entry	8UE:00564970	Respondent	10/05/2021	Victor Aguilar, Mario Jorquera
10/05/2021	International Falls Port of Entry	8UE:00564954	Respondent	10/05/2021	Victor Aguilar, Mario Jorquera
10/12/2021	Savannah Port of Entry	8UE:00568740	Respondent	10/12/2021	Victor Aguilar, Mario Jorquera
10/08/2021	Los Angeles/Long Beach Seaport	8UE:00543073	Respondent	10/07/2021	Daniel Haskell, Andrew Chew
10/26/2021	Los Angeles/Long Beach Seaport	8UE:00568120	Respondent	10/22/2021	Daniel Haskell, Andrew Chew

<p>Pacific Rim, LLC (Respondent) imported the engine(s) described at the bottom of Table 2 (the Subject Engines) between 9/21/2021 and 10/05/2021. On the entry documents, Respondent claimed that the Subject Engines were legal for import under a competition exemption granted by the Office of Transportation and Air Quality (OTAQ). Authorized federal inspectors examined the Subject Engines and determined that the terms of the applicable competition exemption were not met. Specifically, to meet the exemption requirement, Respondent represented that, among other criteria, a manufacturer warranty would not be offered for the imported Subject Engines. However, at the time of import, the Respondent's commercial websites offered a manufacturer warranty for all Subject Engines. Therefore, the Subject Engines were not covered by the exemption at the time of importation. The EPA has found no further evidence indicating the Subject Engines were exempt or otherwise excluded from coverage under Title II the Clean Air Act (CAA) and its implementing regulations. Accordingly, by importing the Subject Engines, Respondent has committed 1,259 violation(s) of CAA Section 203(a)(1) and 213(d), 42 U.S.C. §§ 7522(a)(1) and 7547(d), and the regulations codified at 40 C.F.R. § 1068.101(a)(1) and (b)(5).</p>					
Entry Number	Vehicle/Equipment Description	Observed Engine Manufacturer	Observed Model Year	Observed Engine Family	Quantity
8UE:00566850	Dirt Bikes Model TS90	Kayo USA	2022	None	213
8UE:00566926	Dirt Bikes Model KMB60	Kayo USA	2022	None	244

8UE:00564970	Dirt Bikes Model TT125	Kayo USA	2022	None	153
8UE:00564954	Dirt Bikes Model TD125	Kayo USA	2022	None	195
8UE:00568740	Dirt Bikes Model TT125	Kayo USA	2022	None	153
8UE:00543073	Dirt Bikes Model KMB60	Kayo USA	2022	None	244
8UE:00568120	Dirt Bikes Models K2 and K4	Kayo USA	2021	None	57

Table 3 - Penalty and Required Remediation

Penalty	\$100,000
Required Remediation	In addition to paying the monetary penalty, Respondent has provided to the EPA documentation showing that the Subject Engine(s) are no longer being offered for sale with a manufacturer warranty. Furthermore, Respondent will notify its dealers affirming the fact that there is no manufacturer warranty for the motorcycles imported under the competition exemption and provide documentation of the notice.

CAA VEHICLE AND ENGINE EXPEDITED SETTLEMENT AGREEMENT INSTRUCTIONS

Within 30 days from your receipt of the Agreement, you must pay the penalty as described below:

Payment method 1 – Preferred (electronic): 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 shall be identified in the online system with Docket Number listed below.

On the same day after submitting your payment, send an email to cinwd_acctsreceivable@epa.gov and the EPA contact email address noted below. Include in the subject line: "Payment Confirmation for Pacific Rim, LLC Docket Number CAA-HQ-2022-8424." Attach a copy of the Agreement and your payment receipt to the email.

Payment method 2 (check): Mail, via CERTIFIED MAIL, a certified check payable to the United States of America marked with Pacific Rim, LLC, and the Docket Number listed below, with a copy of the Agreement to:

U. S. Environmental Protection Agency
Government Lockbox 979077
1005 Convention Plaza
SL-MO-C2-GL
St. Louis, MO 63101
Attn: Docket Number CAA-HQ-2022-8424

Within 30 days from your receipt of the Agreement, you must email aguilar.victor@epa.gov a scanned copy of the original signed Agreement, the documentation of your Required Remediation corrective action(s) taken, and proof of payment (meaning, as applicable, a photocopy of the original certified penalty check or confirmation of electronic payment). If you prefer to mail this information via CERTIFIED MAIL, you may contact the EPA at the number listed below to arrange (Note that mailed information must be postmarked within 30 days of your receipt of the Agreement).

If you have any questions or would like to request an extension due to extraordinary circumstances, you may contact Victor Aguilar at (202) 564-9679. The EPA will consider whether to grant an extension on a case-by-case basis where appropriate justification is provided. The EPA will not accept or approve any Agreement returned more than 30 days after the date of your receipt of the Agreement unless an extension has been granted by the EPA. If you believe that the alleged violations are without merit (and you can provide evidence contesting the allegations), you must provide such information to the EPA as soon as possible but no later than 30 days from your receipt of the Agreement.

Unless an extension has been granted in writing by the EPA, if you do not sign and return the Agreement with proof of payment of the penalty amount and a report detailing your corrective action(s) within 30 days of your receipt of the Agreement, the Agreement is automatically withdrawn, without prejudice to the EPA's ability to file an enforcement action for the above or any other violations. Failure to return the Agreement within the approved time does not relieve you of the responsibility to comply fully with the regulations, including correction of the violation(s) specifically identified in the enclosed Tables. If you choose not to enter into this Agreement and fully comply with its terms, the EPA may pursue more formal enforcement measures to correct the violation(s) and seek penalties of up to \$51,796 per violation pursuant to 40 C.F.R. § 19.4.