

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

**In the Matter of:**

**Taotao USA, Inc.,**

**Respondent**

**Administrative Settlement  
Agreement**

**AED/MSEB #7872**

**Purpose**

1. The United States Environmental Protection Agency (EPA) and Taotao USA, Inc., a Texas corporation, (Taotao) enter into this Administrative Settlement Agreement (Agreement) to resolve allegations of non-compliance with the Clean Air Act, 42 U.S.C. § 7401 *et seq.* (Act), and its implementing regulations at 40 C.F.R. Parts 1051 and 1068.

**Statutory & Regulatory Authority**

2. Section 203(a)(1) of the Act, 42 U.S.C. § 7522(a)(1), prohibits a manufacturer or importer from selling, offering for sale, introducing, 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 issued by EPA. Section 203(a) also prohibits any person or entity from causing such actions.
3. Section 216 of the Act, 42 U.S.C. § 7550, defines a manufacturer as any person engaged in the manufacturing or assembling of new motor vehicles, or importing such motor vehicles for resale.

4. Pursuant to 19 C.F.R. § 101.1, “importer” means the person or entity primarily liable for the payment of any duties on imported merchandise, or an authorized agent acting on the person’s or entity’s behalf.
5. Importers engaged in importing vehicles for sale or distribution, or otherwise introducing such vehicles into commerce, are “manufacturers” subject to the prohibitions set forth in Section 203 of the Act, 42 U.S.C. § 7522, and the requirements imposed on manufacturers set forth in the Act and its implementing regulations.
6. Section 213(d) of the Act, 42 U.S.C. § 7547(d), together with the recreational vehicle regulations at 40 C.F.R. Parts 1051 and 1068, extend the prohibition in Section 203(a)(1) to the sale or importation of any nonroad vehicle or engine, such as the off-road motorcycles and all-terrain vehicles (ATVs) at issue here, unless the vehicle or engine is covered by an EPA-issued certificate of conformity. 40 C.F.R. §§ 1068.101(a)(1) and (b)(5).
7. Beginning in 2006, the requirement for a certificate of conformity became applicable to new recreational vehicles, including off-road motorcycles and ATVs, beginning with the 2006 model year (40 C.F.R. §§ 1051.105 and 1051.107).
8. For these vehicles and engines, EPA’s issuance of a certificate of conformity permits the production and introduction into commerce of vehicles and engines (a) built in accordance with the manufacturer’s application for the certificate of conformity; and (b) produced on or after the effective date of the certificate and no later than December 31<sup>st</sup> of the covered model year. *See, e.g.*, 40 C.F.R. § 1051.201(a) (recreational vehicles).
9. An adjustable parameter is any device, system, or element of design that someone can adjust (including those which are difficult to access) and that, if adjusted, may affect

emissions or engine performance during emission testing or normal in-use operation.

This includes, but is not limited to, parameters related to injection timing and fueling rate.

40 C.F.R. § 1051.801. Common adjustable parameters include air-fuel idle mixture screws, needle jets, jet needle position clips, and main jets (all of which are located on the vehicle carburetor). All of these elements of design can affect emissions, if adjusted.

10. 40 C.F.R. § 1051.115(c) states that recreational vehicles that have adjustable parameters must meet all of the requirements of the Act.
11. Adjustable parameters must be described in the engine/equipment COC application. 40 C.F.R. § 1051.205(q).
12. Under Section 205(a) of the Act, 42 U.S.C. § 7524(a), any person who violates Section 203(a)(1), 42 U.S.C. § 7522(a)(1), is subject to a civil penalty of not more than \$37,500 for each motor vehicle.

### Violations

13. Taotao is identified as the “Importer of Record” on the United States Bureau of Customs and Border Protection’s (CBP) entry summary Form (CBP Form 7501) or as the importer of record on the CBP Entry/Immediate delivery Form (CBP Form 3461) pertaining to the importation of certain nonroad motor vehicles (i.e., all-terrain vehicles or ATVs) under CBP entry numbers ES2-0132792-2, ES2-01373207, ES2-01387140, ES2-01387173, ES2-01387181, ES3-50057460, ES3-50057742, ES3-50059243, ES3-50059235, ES3-50059227, ES3-5005921-9, ES3-5005920-1, ES3-5005918-5, ES3-5005917-7, ES3-5005919-3, ES3-5005913-6, ES3-5005915-1, ES2-0138716-5, ES2-0138719-9, ES2-0138720-7, ES2-0138721-5, ES2-0138722-3, ES2-0142585-8, ES2-0142586-6, ES2-0142814-2, ES2-0142816-7, ES2-0142636-9, ES2-0142638-5, ES2-0142634-4, ES2-

0142635-1, ES2-0142637-7, ES2-0142838-1, ES2-0142839-9, ES2-0142841-5, ES2-0142840-7, and ES2-0142903-3, (collectively, the “Subject Vehicles”), as identified on Attachment A.

14. The COC applications for the engine families listed in Attachment A state that there are no adjustable parameters on the engine families for these ATVs. However, EPA inspectors determined the carburetors of the sampled ATVs had removable main jets, pilot jets, or a jet needle with five clip-position grooves. These features allow adjustment of the engine’s air-fuel ratio, and if adjusted, may affect emissions or engine performance during emission testing or normal in-use operation.
15. EPA inspectors were able to remove the carburetor, make the jet adjustments, and reinstall the carburetor in the sampled ATVs in no more than 20 minutes with ordinary tools (screwdriver and pliers).
16. A COC only covers those vehicles that conform in all material respects to the design specifications in the certificate application. Since the Subject ATVs do not conform to the design specifications for these engine families with respect to the adjustable parameters, they are not certified.
17. Photographs taken by EPA inspectors of ATVs certified under engine family ATAOX0.12A1T and imported under Entry No. ES3-50057742 documented markings on the sampled ATVs’ carburetors identifying the carburetor model as “PZ19.” The application for certification for engine family ATAOX0.12A1T identifies the carburetor model as “PZ20.” A COC only covers those vehicles that conform in all material respects to the design specifications in the application for certification. In addition to the uncertified adjustable parameters on these ATVs, these ATVs were built with carburetors

that do not match the carburetor described in the application for certification for engine family ATAOX0.12A1T. Thus, these ATVs are uncertified.

18. The sampled ATV of the ATVs imported under Entry No. ES2-01373207 bore an EPA emissions control information label listing the engine displacement of that ATV as 107cc, which is inconsistent with the displacement for model "ATA 125-D" listed in the application for certification (124cc).
19. Importation of the Subject ATVs constitutes 3,768 violations of Section 203(a)(1) of the Act, 42 U.S.C. § 7522(a)(1).

#### **Civil Penalty**

20. Taotao must pay to the United States a civil penalty of \$260,000 (EPA penalty).
21. Taotao agrees to pay the EPA penalty to the United States within one year of the effective date of this Agreement (penalty due date), but not before the effective date of this Agreement. Installments of this penalty must be paid as follows:
  - a. Payment of \$43,300 due on or before 9/1/2010
  - b. Payment of \$43,300 due on or before 11/1/2010
  - c. Payment of \$43,300 due on or before 1/1/2011
  - d. Payment of \$43,300 due on or before 3/1/2011
  - e. Payment of \$43,300 due on or before 5/1/2011
  - f. Payment of \$43,500 due on or before 7/1/2011
22. At any point after the effective date of this Agreement but prior to July 1, 2011, Taotao may accelerate payment of the entire civil penalty without any additional fees or charges. Notwithstanding accelerated payment, the full \$260,000 must be paid in its entirety by July 1, 2011. Late payment of the EPA penalty is subject to interest and fees as specified

in 31 U.S.C. § 3717. Taotao agrees to pay the EPA penalty in the manner specified in paragraph a. or b. below:

- a. Send a certified check or cashier's check payable to the United States of America, and mailed via United States Postal Service, certified mail, to:

U.S. Environmental Protection Agency  
Fines and Penalties  
Cincinnati Finance Center  
P.O. Box 979077  
St. Louis, MO 63197-9000  
ATTN: AED/MSEB #7872

Simultaneously, fax a photocopy of the check to (202) 564-0069 to the attention of Chris Thompson, or scan and email a copy of the check to [thompson.christopher@epamail.epa.gov](mailto:thompson.christopher@epamail.epa.gov). This check shall be identified with case number AED/MSEB #7872, and Taotao's name; or

- 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 #7872. Within twenty-four hours of payment, fax a photocopy of the receipt of payment to (202) 564-0069 to the attention of Chris Thompson, or scan and email a copy of the receipt to [thompson.christopher@epamail.epa.gov](mailto:thompson.christopher@epamail.epa.gov).
23. Separate and apart from the EPA penalty, Taotao acknowledges CBP may require payment of a forfeiture remission amount or another penalty for the release of the Subject ATVs from seizure.

**Remedial Action**

24. Taotao agrees to perform the requirements of the Subject Vehicle Corrective Action Plan attached hereto as Attachment B on those ATVs identified therein.
25. Taotao must identify and prepare a list of all vehicles that fall within the definition of Subject Vehicles, above. This list must identify each Subject Vehicle by vehicle identification number, be kept for five years, notwithstanding any corporate document retention policies, and must be provided to EPA.
26. When any Taotao vehicle (e.g., ATV or scooter) belonging either 1) to one of the engine families listed in Attachment A; or 2) to engine families 9TA0X.150AAA, 9TA0C.049MC1, ATA0X0.15G2T, or ATA0X.150AAA is presented for service at any Taotao dealer or otherwise – and regardless of when such vehicle was imported into the United States – Taotao must implement the Subject Vehicle Corrective Action Plan attached hereto as Attachment B. Taotao must maintain a list of all vehicles modified as required by this Paragraph. This list must identify each vehicle by vehicle identification number, be kept for five years, notwithstanding any corporate document retention policies, and must be provided to EPA upon request.
27. Taotao must issue a written service bulletin to every Taotao-authorized service center that will 1) notify all of its service centers that any modification to the carburetor that results in a change to a vehicle's air-fuel ratio is considered tampering, and is a violation of the nonroad regulations at 40 C.F.R. § 1068.101(b)(1), 2) explain the EPA-compliant emission-related warranty offered by Taotao, and 3) Taotao's obligations under Paragraph 25 above. Taotao must provide a draft of such bulletin to EPA for EPA's preapproval before distribution.

**Vehicle and Engine Compliance Plan**

28. Within 30 calendar days of the effective date of this Agreement, Taotao will adopt and implement the Vehicle and Engine Compliance Plan (Compliance Plan) set forth in Attachment C. The Compliance Plan must be implemented and performed for five years after the effective date of this agreement.

**Stipulated Penalties**

29. Time is of the essence to this Agreement. Taotao shall be liable for stipulated penalties to EPA for each failure by Taotao to comply with the terms of this Agreement. A violation includes failing to perform any obligation required by the terms of this Agreement according to all applicable requirements of this Agreement and within the specified time schedules established by or approved under this Agreement.

The following stipulated penalties shall apply as provided below:

- a. For failure to make the payment, or any portion thereof, required by Paragraphs 20 and 21 of this Agreement when due, or provide proof of such payment: \$1,000 per day for each day that the payment is late during the first 15 days, and \$3,500 per day thereafter.
- b. For failing to submit any written deliverable or notification as required by this Agreement or any Attachment: \$750 per deliverable or notification per day for the first 30 days; \$1,000 per deliverable or notification per day for the next 30 days; and \$1,500 per deliverable or notification per day for all days thereafter.
- c. For failing to conduct emission testing, or catalyst inspection or testing as required by Paragraphs 11, 12, and 15 of Attachment C: \$5,000 per test.
- d. For failing to conduct semi-annual inspections required by Paragraph 15 of Attachment C: \$5,000 per test lot.

- e. For failing to implement the Subject Vehicle Corrective Action Plan: \$1,000 per vehicle.
  - f. For failing to provide staff training required by Paragraphs 20 and 21 of Attachment C: \$750 per day for the first 30 days; \$1,000 per day for the next 30 days; and \$1,500 per day for all days thereafter;
  - g. For failure to cure, to EPA's satisfaction, any deficiency identified in the Semi-Annual Progress Report required by Attachment C Section V, within 30 days of the notification by EPA of such deficiency: \$500 per day for the first 30 days, \$750 per day every day thereafter.
  - h. For the importation, distribution or sale of any vehicle or engine following the date Taotao ceased, or should have ceased, sale and distribution of any Vehicle or Engine Model as provided in Attachment C: \$1,000 per vehicle or engine.
  - i. For any violation of this Agreement not specified above: \$1,000 per violation.
30. All stipulated penalties shall be paid in the manner specified in Paragraph 21 of this Agreement. In addition, a copy of the transmittal letter(s) and receipts(s) shall be sent to Chris Thompson in the manner specified in paragraph 21.

**Notice**

31. All written correspondence to EPA concerning this Agreement must be sent via traceable overnight mail/delivery service and electronic mail to:

Christopher A. Thompson  
Attn: AED/MSEB #7872  
Air Enforcement Division  
Office of Civil Enforcement  
U.S. Environmental Protection Agency (2242A)  
Room 5039A  
1200 Pennsylvania Ave., NW  
Washington, DC 20004

thompson.christopher@epa.gov

**Effect of Administrative Settlement Agreement and Reservation of Rights**

32. Upon completion of the terms of the Subject Vehicle Corrective Action Plan, the alleged violations related to the Subject Vehicles as described in this Agreement are resolved.
33. EPA reserves its right to allege violations of the Act that arise from the importation, distribution, or sale of any of the Subject Vehicles by Taotao if Taotao does not satisfy the requirements set forth in the Subject Vehicle Corrective Action Plan.
34. Nothing herein shall limit the right of EPA to proceed against Taotao in the event of default or noncompliance with this Agreement, the Subject Vehicle Corrective Action Plan, or the Compliance Plan, for violations of Sections 203 or 213 of the Act, 42 U.S.C. §§ 7522 or 7547, which are not resolved in Paragraph 31 of this Agreement, for other violations of law, or with respect to other matters not within the scope of this Agreement.
35. Nothing in this Agreement limits EPA's right to proceed against Taotao 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 Taotao of the responsibility to comply with other state, federal or local laws or regulations, and does not address Taotao's potential liability to the U.S. Department of Homeland Security's Bureau of Customs and Border Protection for engines and vehicles that are seized or detained now or in the future.
36. In any subsequent administrative or judicial proceeding initiated by EPA or the United States for injunctive relief, civil penalties, or other relief concerning the Subject Vehicles, Taotao agrees not to assert, and may not maintain, any defense or claim based on the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim preclusion, claim splitting, or other defenses based upon any contention that the claims raised by the

EPA in the subsequent proceeding were or should have been brought in the instant case, except for claims that are specifically resolved pursuant to this Agreement.

37. This Agreement does not limit or affect the rights of EPA or Taotao against any third party, and does not create any right in, or create any cause of action to, any third party.

#### **General Provisions**

38. Taotao must provide EPA, upon request, originals or copies of all documents and information within its possession or control, or that of its contractors or agents, relating to implementation of and compliance with this Agreement, the Subject Vehicle Corrective Action Plan, or the Compliance Plan, including, without limitation, any test data or samples, draft or final laboratory reports, production records, receipts, research, correspondence, or any other tangible things, documents or information related to compliance with this Agreement, the Subject Vehicle Corrective Action Plan, or the Compliance Plan.
39. This Agreement becomes effective upon the date it is executed by EPA, at which time a fully executed electronic copy will be returned to Taotao.
40. The individual or individuals executing this Agreement on behalf of Taotao are authorized to do so on behalf of Taotao, and agree that such execution is intended and is sufficient to bind Taotao, its agents, successors, and assigns.
41. Notwithstanding any other provision of this Agreement, the parties agree that, upon any default or failure of Taotao to comply with the terms of this Agreement, EPA may refer this matter to the United States Department of Justice to recover civil penalties pursuant to Section 205(b) of the Act, 42 U.S.C. § 7524(b), commence an action to enforce this

Agreement or to recover a civil penalty pursuant to Section 205(d) of the Act, 42 U.S.C. § 7524(d), or pursue any other remedies available.

42. Taotao expressly waives its right to assert the Subject Vehicles are certified or exempt from the certification requirements, or assert that any 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. Taotao acknowledges that EPA intends to use Taotao's tax identification number, which Taotao 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.
43. Taotao 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.
44. This Agreement is contingent upon the truthfulness, accuracy and completeness of Taotao's disclosures and representations to EPA including, without limitation, representations regarding importations and the prompt and complete remediation of any violations in accordance with this Agreement.
45. The validity, enforceability, and construction of all matters pertaining to this Agreement will be determined in accordance with applicable federal law.

[SIGNATURES ON FOLLOWING PAGES]

**U.S. Environmental Protection Agency**

**Administrative Settlement Agreement**

*In the Matter of Taotao USA, Inc.*

**AED/MSEB #7872**

The following agrees to the terms of this Agreement:

**Taotao USA, Inc.**

By:  MATAO CAO Date: 06-14-2010

Typed or Printed Name: MATAO CAO

Typed or Printed Title: PRESIDENT

Taotao USA, Inc. – Federal Tax Identification Number: 51-0620965

**U.S. Environmental Protection Agency**

**Administrative Settlement Agreement**

*In the Matter of Taotao USA, Inc.*

**AED/MSEB #7872**

The following agrees to the terms of this Agreement:

**United States Environmental Protection Agency**

By: *Phillip A. Brooks*

Date: 6/28/10

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

## Attachment A

### Subject Vehicles

| <u>PORT</u>                    | <u>ENTRY</u>  | <u>ENTRY DATE</u> | <u>MODEL</u> | <u>ENGINE FAMILY</u> | <u>QTY</u>   | <u>DECLARED VALUE</u> |
|--------------------------------|---------------|-------------------|--------------|----------------------|--------------|-----------------------|
| Long Beach                     | ES2-0132792-2 | 9/8/2009          | ATA-110B     | 9TAOX0.12A1T         | 40           | \$ 9,400              |
| Long Beach                     | ES2-01373207  | 12/9/2009         | ATA125-D     | 9TAOX0.12A1T         | 108          | \$ 32,400             |
| Long Beach                     | ES2-01387140  | 1/4/2010          | ATA110-D     | ATAOX0.12A1T         | 108          | \$ 29,160             |
| Long Beach                     | ES2-01387173  | 2/9/2010          | ATA110-D     | ATAOX0.12A1T         | 108          | \$ 29,160             |
| Long Beach                     | ES2-01387181  | 1/6/2010          | ATA110-A     | 9TAOX0.12A1T         | 92           | \$ 27,600             |
| Long Beach                     | ES2-0138716-5 | 1/6/2010          | ATA110-D     | ATAOX0.12A1T         | 108          | Not provided          |
| Long Beach                     | ES2-0138719-9 | 1/6/2010          | ATA110-F     | ATAOX0.12A1T         | 108          | Not provided          |
| Long Beach                     | ES2-0138720-7 | 1/6/2010          | ATA110-B     | 9TAOX0.12A1T         | 40           | Not provided          |
| Long Beach                     | ES2-0138721-5 | 1/6/2010          | ATA110-B     | ATAOX0.12A1T         | 40           | Not provided          |
| Long Beach                     | ES2-0138722-3 | 1/6/2010          | ATA125-F     | ATAOX0.12A1T         | 64           | Not provided          |
| Savannah                       | ES3-50057460  | 2/16/2010         | ATD125C      | ATAOX.124AAA         | 153          | \$ 47,430             |
| Savannah                       | ES3-50057742  | 2/16/2010         | ATA125F      | ATAOX0.12A1T         | 64           | \$ 24,960             |
| Savannah                       | ES3-50059243  | 2/26/2010         | ATA110-D     | ATAOX0.12A1T         | 108          | \$ 29,160             |
| Savannah                       | ES3-50059235  | 2/26/2010         | ATA110-D     | ATAOX0.12A1T         | 108          | \$ 29,160             |
| Savannah                       | ES3-50059227  | 2/26/2010         | ATA110-F     | ATAOX0.12A1T         | 108          | \$ 29,160             |
| Savannah                       | ES3-5005921-9 | 3/2/2010          | ATA-110F     | ATAOX0.12A1T         | 108          | \$ 27,160             |
| Savannah                       | ES3-5005920-1 | 3/2/2010          | ATA-110D     | ATAOX0.12A1T         | 108          | \$ 29,160             |
| Savannah                       | ES3-5005918-5 | 3/2/2010          | ATA-110D     | ATAOX0.12A1T         | 108          | \$ 29,160             |
| Savannah                       | ES3-5005917-7 | 3/2/2010          | ATA-110D     | ATAOX0.12A1T         | 108          | \$ 29,160             |
| Savannah                       | ES3-5005919-3 | 3/2/2010          | ATA-110B     | ATAOX0.12A1T         | 136          | \$ 31,280             |
| Savannah                       | ES3-5005913-6 | 3/2/2010          | ATA-110B     | ATAOX0.12A1T         | 136          | \$ 31,960             |
| Savannah                       | ES3-5005915-1 | 3/2/2010          | ATA-110B     | ATAOX0.12A1T         | 133          | \$ 30,590             |
| Long Beach                     | ES2-0142585-8 | 3/17/2010         | ATA110-D     | ATAOX0.12A1T         | 114          | Not provided          |
| Long Beach                     | ES2-0142586-6 | 3/17/2010         | ATA110-D     | ATAOX0.12A1T         | 108          | Not provided          |
| Long Beach                     | ES2-0142814-2 | 3/24/2010         | ATA110-F     | ATAOX0.12A1T         | 114          | Not provided          |
| Long Beach                     | ES2-0142816-7 | 3/24/2010         | ATA110-F     | ATAOX0.12A1T         | 108          | Not provided          |
| Long Beach                     | ES2-0142636-9 | 3/29/2010         | ATA110-D     | ATAOX0.12A1T         | 108          | Not provided          |
| Long Beach                     | ES2-0142638-5 | 3/29/2010         | ATA110-B     | ATAOX0.12A1T         | 136          | \$ 36,720             |
| Long Beach                     | ES2-0142634-4 | 4/11/2010         | ATA110-D     | ATAOX0.12A1T         | 114          | \$ 36,480             |
| Long Beach                     | ES2-0142635-1 | 4/11/2010         | ATA110-D     | ATAOX0.12A1T         | 114          | \$ 36,480             |
| Long Beach                     | ES2-0142637-7 | 3/29/2010         | ATA110-F     | ATAOX0.12A1T         | 108          | Not provided          |
| Long Beach                     | ES2-0142838-1 | 3/30/2010         | ATA110-B     | ATAOX0.12A1T         | 136          | Not provided          |
| Long Beach                     | ES2-0142839-9 | 3/30/2010         | ATA110-D     | ATAOX0.12A1T         | 114          | Not provided          |
| Long Beach                     | ES2-0142841-5 | 3/30/2010         | ATA110-D     | ATAOX0.12A1T         | 114          | Not provided          |
| Long Beach                     | ES2-0142840-7 | 3/30/2010         | ATA110-B     | ATAOX0.12A1T         | 136          | Not provided          |
| Long Beach                     | ES2-0142903-3 | 4/6/2010          | ATA110-D     | ATAOX0.12A1T         | 52           | Not provided          |
| <b>Seized vehicle summary:</b> |               |                   |              |                      | <b>3,768</b> | <b>&gt;\$ 605,740</b> |

## Attachment B

### Subject Vehicle Corrective Action Plan

#### 1. MY 2009 & 2010 ATA-110 and ATA 125 ATVs

Prior to the distribution or sale of any Subject Vehicle, Taotao must:

##### A. Either:

- (i) Replace the carburetors on the Subject Vehicles with new carburetors of the make and model specified in the certificate application for the engine family that covers the vehicle. Ensure that the carburetors utilize recessed screws to seal the bowl, and a jet needle with a one-position clip as shown on the attached photos. All other adjustable parameters must be sealed and tamperproof; or
- (ii) Obtain certificates of conformity for model year (MY) 2010 or 2011 vehicles with carburetor adjustments (jet needle clip, needle jet, pilot jet, and main jet) described and certified, and modify the Subject Vehicles to conform to the design specifications described in the certificate of conformity applications for the MY 2010 or MY2011 models.

##### B. Affix a permanent supplemental label to each Subject Vehicle that states:

Vehicle has been field modified to conform to the design specifications described in the application for certification for [applicable engine family]. Vehicle is legal for sale pursuant to an agreement with the United States in connection with settlement of disputed claims in an enforcement action under the Clean Air Act.

Examples of the specifications for supplemental labels must be provided to and approved by EPA prior to the commencement of the work in this plan. The labels must be secured to a part of the vehicle that does not normally require replacement, near the vehicle emission control information label, and in a location that is easily visible to the purchasers of the vehicles. Photographs showing acceptable locations for the supplemental label on the subject Vehicles are attached hereto; and

##### C. Provide EPA with:

- (i) the MY 2010 or MY 2011 certificate(s) of conformity applicable to the Subject Vehicles, or certification of and photographs documenting the completion of the necessary modifications to the Subject Vehicles as described above;
- (ii) certification of the completion of the required supplemental labeling of each vehicle as described above; and

(iii) a copy of a representative warranty for these vehicles that complies with applicable legal requirements.

D. notify all Taotao service centers in writing that any modification to the carburetor that results in a change to the model ATA-110 and ATA 125 vehicles' air-fuel ratios is considered tampering, and is a violation of the nonroad regulations at 40 C.F.R. § 1068.101(b)(1), and could lead to significant penalties.

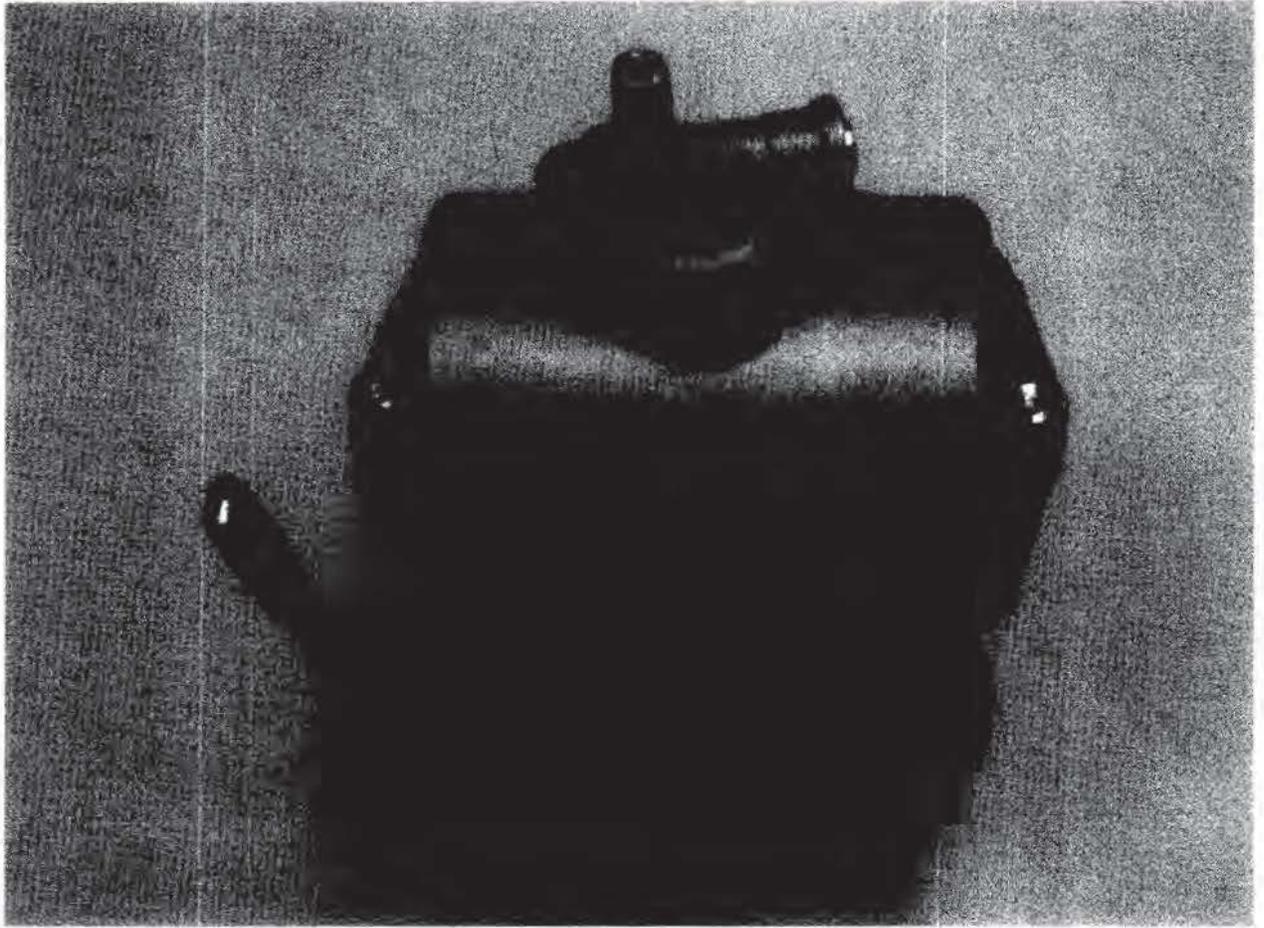
## **2. Implementation**

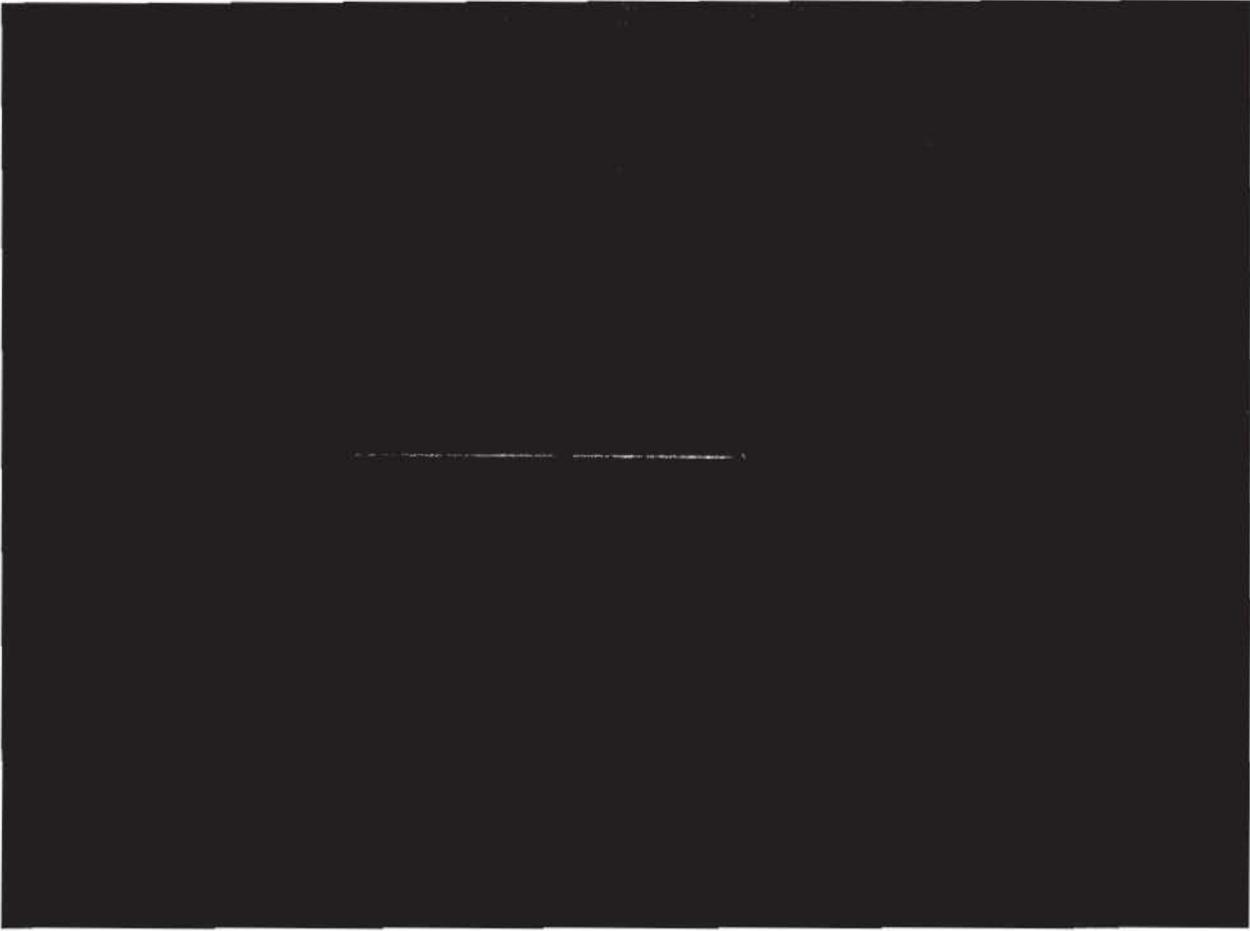
A. All vehicle emission control information labels and any supplemental labels must be affixed so they are not removable without being destroyed or defaced.

B. A party other than Taotao may implement any of the requirements of this Subject Vehicle Corrective Action Plan on behalf of Taotao. However, Taotao alone is responsible for the implementation of the Subject Vehicle Corrective Action Plan and must submit all information, reports and documentation to EPA as required.

C. Each report or document submitted by Taotao to EPA must be signed by a corporate officer, and must contain the following certification:

I certify under penalty of law that I have examined and am familiar with the information submitted in this document and all attachments and that this document and its attachments were prepared either by me personally or under my direction or supervision in a manner designed to ensure that qualified and knowledgeable personnel properly gather and present the information contained therein. I further certify, based on my personal knowledge or on my inquiry of those individuals immediately responsible for obtaining the information, that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowingly and willfully submitting a materially false statement.





## Attachment C

### **Taotao USA, Inc. Vehicle and Engine Compliance Plan**

#### **I. Definitions**

1. "Subject Vehicles and Engines" means all EPA-regulated on-highway motorcycles, recreational vehicles (including all-terrain vehicles, off-highway motorcycles, and snowmobiles) and small spark-ignition engines, whether contained in generators or other equipment, imported, purchased or distributed by or on behalf of Taotao USA, Inc. (Taotao). However, five or fewer vehicles or engines (per Vehicle or Engine Model) that are imported in compliance with any of the exemptions listed under 40 C.F.R. Parts 85, Subpart R, Part 90, Subpart J, Part 1054, Subpart G, or Part 1068, Subpart C, are not included.
2. "Manufacturer" means any person or entity which produces or provides Subject Vehicles and Engines to Taotao.
3. "Emissions Related Parts" refers to the parts listed in 40 CFR Part 1068 Appendix I.
4. "Vehicle or Engine Model" means any set of Subject Vehicles and Engines that is certified in the same EPA Engine Family, built by the same Manufacturer in the same Model Year (as designated by the Manufacturer), and with the same vehicle mass, transmission type, displacement, and power (i.e., HP or kW).
5. "Sample" means one representative and randomly selected engine or vehicle from a Vehicle or Engine Model.
6. "Running Change" means any application for any amendment to a Certificate of Conformity submitted to and approved by EPA for an Engine Family after issuance of the original Certificate of Conformity for that Engine Family.
7. "Certificate of Conformity" or "COC" means a certification issued by EPA under the Clean Air Act that confirms an Engine Family meets all requirements of the Clean Air Act and implementing regulations for a specific Model Year.
8. "Test Lot" means all vehicles or engines of the same Vehicle or Engine Model manufactured during a quarterly production period.

#### **II. Pre-Importation Compliance Verification Program and Contract Requirements:**

9. Taotao must confirm that all Subject Vehicles and Engines must be certified, properly labeled, and meet applicable emissions standards, including the identification, as required, of Emissions Related Parts in the Certificate of Conformity application and in any applicable EPA-approved Running Changes. Where Taotao is not the Certificate holder, Taotao must obtain and review, prior to importation of any Subject Vehicles and

Engines to the United States, copies of all Certificates of Conformity for each Engine Family, all Certificate of Conformity applications, and all Running Change applications relating to the Subject Vehicles and Engines.

10. Prior to importation of any Subject Vehicles and Engines to the United States, Taotao must:
  - a. For Vehicle or Engine Models for which Taotao is not the certificate holder, obtain a copy of:
    - (i) the results of any emission or catalyst testing performed by, on behalf of, or at the request of the Manufacturer or certificate holder;
    - (ii) owner's manuals containing emissions warranties that comply with all applicable legal requirements; and
    - (iii) all EPA-issued Certificates of Conformity and their corresponding applications, including any applications for any Running Changes.
  - b. Conduct and document, using the Vehicle Inspection Checklist attached hereto ("Checklist"), an inspection of at least one Sample representative of the new model year (including its COC, application and any Running Changes, and owner's manual) and confirm that it is:
    - (i) covered by a COC that displays the Engine Family name and an effective date prior to the date the Vehicle or Engine Model will enter the United States (for vehicle models certified under 40 C.F.R. Parts 86 and 1051, verify that all model names displayed on the vehicle match the model names on the Certificate of Conformity);
    - (ii) labeled in accordance with EPA's applicable regulatory requirements for emission control information labels. *See* 40 C.F.R. §§ 86.413-2006 (highway motorcycles), 90.114 and 1054.135 (small spark-ignition engines) and 1051.135 (recreational vehicles);
    - (iii) built in all material respects the same as the design specifications (e.g., Emissions Related Parts, adjustable parameters, and any other component that may reasonably be expected to affect emissions) as described in the corresponding application for the COC; and
    - (iv) accompanied by an owner's manual with an emissions warranty that complies with all applicable legal requirements.
  - c. Provide EPA's Compliance Determination Guidelines (Guidelines) to each employee or contractor that may make a compliance determination based on a vehicle or engine inspected in accordance with this Compliance Plan.

11. Emission Testing. Prior to importation of any Subject Vehicles and Engines to the United States, for Vehicle or Engine Models for which Taotao is not the certificate holder, Taotao must conduct emission testing on one Sample representative of the new Model Year. The tests must be performed in accordance with EPA regulations and by an independent testing laboratory approved by EPA's Air Enforcement Division. All testing required by this Compliance Plan shall be low-hour testing conducted according to the guidelines set forth in 40 C.F.R. Parts 86, 90, 1051, and 1068. The original certification test data may not be used to satisfy this requirement.
12. Catalyst Testing. If a new Vehicle or Engine Model will contain a catalyst, prior to importation of any Subject Vehicles and Engines to the United States, Taotao must obtain one representative sample catalyst and submit the catalyst for analytical testing to determine active material loading, active material ratios, and cell density in accordance with a test plan approved by EPA. Once the test results are obtained, Taotao must compare the results to the catalyst description in the COC application to determine the catalyst's conformity with the COC application.
13. If the inspection or catalyst testing results indicate any nonconformance with the specifications in the application for certification or the emissions test results from the tested Sample exceed the applicable regulatory standards, Taotao:
  - (i) must notify the Manufacturer, the certificate holder, and EPA within 10 business days after completing the testing of the initial Sample; and
  - (ii) must, at EPA's request, stop exportation, importation, sale and distribution of the affected Vehicle or Engine Model until the noncompliance is remediated to EPA's satisfaction.

### **III. Post-Importation Compliance Verification Program**

14. Within 90 days after the first delivery or shipment of a new Vehicle or Engine Model to the United States, and continuing on a semi-annual basis thereafter, Taotao must conduct the following compliance verification activities.
15. Semi-annual Inspections. Taotao must, for each Test Lot:
  - a. inspect at least three Samples and verify that the Samples meet applicable regulatory requirements, using the Checklist; and
  - b. verify that the Subject Vehicles and Engine's Emissions Related Parts are consistent with the certification application by disassembling one of the Samples, to the extent necessary to verify the Emissions Related Parts. If the Vehicle or Engine Model includes a catalyst, this inspection must include the inspection of one catalyst to verify its part number, dimensions, and cell density.
16. Testing. If any semi-annual inspection or catalyst testing results indicate any nonconformance with the specifications in the application for certification or the

emissions test results from the tested Sample exceed an applicable regulatory standard, Taotao:

- a. must notify, within 10 business days after testing the initial Sample: (i) the Manufacturer, (ii) the certificate holder, (iii) and EPA;
  - b. must, at EPA's request, stop selling the affected Vehicle or Engine Model and cancel or postpone any pending orders with the Manufacturer; and notify any customers who have purchased the affected Vehicle or Engine Model; and
  - c. may perform additional emission tests to confirm or rebut test results in accordance with 40 C.F.R. Part 1068 Subpart E for vehicles, and 40 C.F.R. Parts 90 and 1054 for spark-ignition engines.
17. Upon fulfillment of the obligations under Paragraphs 14, 15 and 16, Taotao is permitted to export the nonconforming Vehicle or Engine Model, to the extent any have been imported into the United States, Canada, or Mexico. Alternatively, Taotao may submit a proposal to EPA for remediation of the problem in order to resume selling the affected Vehicle or Engine Model if and when the nonconformance is remediated to EPA's satisfaction.
18. Documentation. Taotao must document all inspections and emissions and catalyst testing and retain these documents for five years, notwithstanding any corporate document retention policies, and provide the documents to EPA upon request.
19. Production Line Compliance - Running Changes. Taotao must audit production facility activities related to Taotao's vehicles. For each production change on any certified vehicle, a representative of Taotao must make a written determination regarding whether or not a Running Change must be submitted to EPA, and ensure that a valid Running Change is submitted to EPA, whenever required.

#### **IV. Staff Training Program**

20. Taotao must provide appropriate initial and annual refresher training to all staff implementing this Compliance Plan. Comparable initial training must be provided to any person who subsequently assumes responsibility for implementing this Compliance Plan. The training must include a review of the procedures in this Compliance Plan. The individual(s) responsible for conducting inspections under the Post-Importation Compliance Verification Program must have adequate technical training or practical experience to evaluate compliance with vehicle and engine design specifications and emission controls.
21. Each employee of Taotao implementing this Compliance Plan must certify that he or she has participated in the training, received a copy of the Compliance Plan, been informed of the Compliance Hotline, and understands that violations of the applicable regulations can result in the imposition of significant civil penalties on Taotao.

## V. Reporting

22. Taotao must submit Annual Progress Reports to EPA regarding the implementation of the Compliance Plan. Each Annual Progress Report must include:
  - a. The total number of Subject Vehicles and Engines (organized by Vehicle or Engine Model and Engine Family) that have been imported or sold by Taotao during the reporting period;
  - b. The results of all inspections and emission or catalyst tests performed by Taotao under Sections II and III of this Compliance Plan, with the corresponding test plan;
  - c. A summary of all reports to EPA under this Compliance Plan, including an explanation of Taotao's actions performed under Paragraphs 13 and 16 of this Compliance Plan;
  - d. The total number of emission control system warranty claims submitted for Subject Vehicles and Engines (organized by Vehicle or Engine Model), and how the claims were resolved; and
23. Supporting test data, inspection documents, and any and all other information necessary to determine Taotao's compliance with this Compliance Plan must be provided to EPA upon request.
24. Each report or document submitted by Taotao to EPA must be signed by a corporate officer, and must contain the following certification:

I certify under penalty of law that I have examined and am familiar with the information submitted in this document and all attachments and that this document and its attachments were prepared either by me personally or under my direction or supervision in a manner designed to ensure that qualified and knowledgeable personnel properly gather and present the information contained therein. I further certify, based on my personal knowledge or on my inquiry of those individuals immediately responsible for obtaining the information, that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowingly and willfully submitting a materially false statement.

Compliance Evaluation Documents:

- I. Vehicle Inspection Checklist
- II. Engine (and Equipment) Inspection Checklist
- III. Compliance Determination Guidelines
- IV. Catalyst Worksheet

## Vehicle Inspection Checklist

**Exam Date and Time:**

**Facility Name and Location:**

**Inspector Name and Company:**

---

*Please insert N/A for items that are not applicable to the vehicle undergoing inspection.*

**Importer:**

**Entry #:**

**Entry Date:**

**Qty:**

**Declaration on EPA 3520 Form:** EPA Declaration Forms 3520-21 or 3520-1 Box letter and number marked (e.g., Box F, Recreational vehicles and engines, and Box I, U.S. certified engine or engine installed in certified vehicle)

---

**Vehicle Type** (Types of vehicles include ATVs, off-road motorcycles, snowmobiles, UTVs, as defined in 40 C.F.R. § 1051.801, and highway motorcycles, as defined in 40 C.F.R. § 86.402-98.)

**Note presence of:** headlight, taillight/stoplight, turn signal, mirror(s), horn (circle which are applicable)

**Vehicle Maximum Speed** (note source of information, including owner's manual):

**Vehicle Identification Number (VIN)** - note source of information (box, frame, COC of origin, DOT label, etc.), and any discrepancies:

**Vehicle Model Year – etc.):** Based on 10<sup>th</sup> digit of the VIN (e.g. A=2010, B=2011, C=2012,

Based on EPA engine family listed on EPA label:

Based on EPA conformity statement on EPA label:

**Vehicle Manufacturer** – Note all sources of information (Box, EPA label, VIN, entry forms, owner’s manual, and/or other documentation) and any discrepancies:

**Vehicle Model** – Based on decals/ badges on vehicle/engine:

**From owner’s manual, note the following for the vehicle model in question. If information is not available, respond with “N/A”.**

**Engine Power (HP):**

**Engine Displacement (cc):**

**Engine Stroke:** 2 / 4 (circle one)

**Transmission:** Automatic / Manual (circle one)

**Vehicle Date of Manufacture** – Note source of information (Box, DOT label, EPA label, entry forms, owner’s manual, and/or other documentation) and any discrepancies:

**From EPA label, note:**

**Engine Family** –

**Evaporative/Permeation Emissions Family** –

**Fuel Type** –

**Emission Control System Abbreviations** –

**Emission Controls** – Note presence and part number (if applicable) for each of the following: TWC (also fill out catalyst worksheet), OC (also fill out catalyst worksheet), O2S, HO2S, AIR, PAIR, EM, DFI, CFI, MFI, TBI

**From carburetor on vehicle, note:**

**Manufacturer Marking(s)** (including any name, other words or characters, any label or other markings (e.g., barcode))—

**Part Number** —

**Air-Fuel Mixture Controls:**

**Identify any of the following if present on the vehicle/engine:** idle air-fuel mixture screw, jet needle clip, needle jet, pilot jet, or main jet (circle those that apply)

**Does the COC application indicate that these components are adjustable parameters?**

**Idle Air-Fuel Mixture Screw:** Yes or No (circle one)

**Jet Needle Clip:** Yes or No (circle one)

**Does the COC application specify the range of air-fuel ratios that may occur in use with respect to the following parameters?**

**Needle Jet:** Yes or No (circle one)

**Pilot Jet:** Yes or No (circle one)

**Main Jet:** Yes or No (circle one)

**If yes to all items, move to the next question, “Fuel Tank”.**

**If no to any item:**

**(1) Note whether you can change the vehicle’s air-fuel ratio in less than one hour with a few parts whose total cost is under \$60 (check jets’ accessibility and replaceability and carburetor bowl access).**

**Needle Jet:** Yes or No (circle one)

**Pilot Jet:** Yes or No (circle one)

**Main Jet:** Yes or No (circle one)

**Describe Markings** (if any):

**Describe Markings** (if any):

**Describe Markings** (if any):

**(2) Note whether the following components are permanently sealed or not normally accessible using ordinary tools within one half hour (check e.g., idle air-fuel mixture screw and jet needle clip accessibility and adjustability).**

**Idle Air-Fuel Mixture Screw:** Yes or No (circle one)

**Jet Needle Clip - Single Setting?** Yes or No (circle one)

**Tools used:**

**(3) Describe any other design element that, if changed or adjusted, may affect the vehicle's air-fuel ratio.**

**Fuel Tank:** metal or plastic (circle one)

**Fuel Line Markings:**

**Does the EPA Label Peel Off Without Being Destroyed or Defaced?** Yes or No (circle one; if yes, ensure photo documents the removal)

**Length of Emissions Warranty** – Check owner's manual and/or other documentation (include source of information in response)

**Does Crankcase Vent Directly to Open Air?** Yes or No (circle one)

**Was the vehicle/engine or any portion thereof kept for further inspection? If so, list (e.g., carburetor, exhaust system, etc.)** – Maintain chain of custody.

**As part of the inspection, take clear photos to document the following:**

- Entire vehicle (from all sides), including headlight, taillight/stoplight, turn signal, mirror(s), and horn (as applicable)
- Any model name/number or decal on the vehicle
- VIN
- EPA label
- DOT label (if applicable)
- Any of the following emission controls that are present: TWC, OC, O2S, HO2S, AIR, PAIR, EM, DFI, CFI, MFI, TBI
- Fuel tank
- Crankcase
- Carburetor (from as many sides as possible)
- Carburetor components (if applicable)
- Box (if applicable)
- Hangtag (if post-importation)

**Attach a copy of the:**

- Customs (CBP) Entry/Immediate Delivery form (CBP Form 3461)
- EPA Declaration Forms 3520-1 or 3520-21
- any DOT declaration forms (Form HS-7)
- owner's manual
- invoices and/or bills of lading

**Engine (and Equipment) Inspection Checklist**  
*For loose engines or engines contained in equipment, but not vehicle engines.*

**Exam Date and Time:**

**Facility Name and Location:**

**Inspector Name and Company:**

---

*Please insert N/A for items that are not applicable to the engine/equipment undergoing inspection.*

**Importer:**

**Entry #:**

**Entry Date:**

**Qty:**

**Declaration on EPA 3520-21 Form:** Box letter and number marked (e.g., Box D, Other nonroad compression-ignition engines, and Box 1, U.S. certified engine or engine installed in certified vehicle)

---

**Equipment Type** (for example, generators, pumps, tractors, etc.)

**Equipment Model** – Note all sources of information:

**Equipment Manufacturer** – Note all sources of information:

**Equipment Date of Manufacture (or Model Year)** – Note all sources of information:

**Equipment Dry Weight** – Note all sources of information:

**Engine Serial No.:**

**Engine Model Year** – Based on EPA label, entry forms, and/or owner's manual, note any discrepancies:

**Engine Power (HP):**

**Engine Displacement (cc):**

**Engine Stroke:** 2 / 4 (circle one)

**Fuel Type:**

**Length of Emissions Warranty** – Check owner's manual and/or other documentation (include source of information in response)

**Engine Manufacturer** – Note all sources of information (Box, EPA label, VIN, entry forms, owner's manual, and/or other documentation) and any discrepancies:

**Engine Model** – Based on decals/ badges on equipment/engine:

**Engine Date of Manufacture** – Note source of information (Box, DOT label, EPA label, entry forms, owner's manual, and/or other documentation) and any discrepancies:

**From EPA label, note:**

**Engine Family** –

**Evaporative Family** –

**Fuel Type** –

**Emission Control System Abbreviations** –

**Emission Controls** – Note presence and part number (if applicable) for each of the following: TWC (also fill out catalyst worksheet), OC (also fill out catalyst worksheet), O2S, HO2S, AIR, PAIR, EM, DFI, CFI, MFI, TBI, EGR

**From carburetor on engine, note:**

**Manufacturer Marking(s)** –

**Part Number –**

**Air-Fuel Mixture Controls:**

**Identify any of the following if present on the engine/equipment:** idle air-fuel mixture screw or jet needle clip (circle those that apply)

**Does COC application indicate that these components are adjustable?**

**Idle Air-Fuel Mixture Screw:** Yes or No (circle one)

**Jet Needle Clip:** Yes or No (circle one)

**If yes to all items, move to the next question, “Fuel Tank”.**

**If no to any item, note whether these components are permanently sealed or not normally accessible using ordinary tools (check idle air-fuel mixture screw and jet needle clip accessibility and adjustability within one half hour using ordinary tools).**

**Idle Air-Fuel Mixture Screw:** Yes or No (circle one)

**Jet Needle Clip:** Yes or No (circle one)

**Tools used:**

**Describe any other design element that can be adjusted and that, if adjusted, may affect the engine’s air-fuel ratio.**

**Fuel Tank:** metal or plastic (circle one)

**Fuel Line Markings:**

**Does the EPA Label Peel Off Without Destroying or Defacing?** Yes or No (circle one)

**Does Crankcase Vent Directly to Open Air?** Yes or No (circle one)

**Was the engine/equipment or any portion thereof kept for further inspection?** If so, list (e.g., carburetor, exhaust system, etc.) Maintain chain of custody.

**As part of the inspection, take clear photos to document the following:**

- Equipment
- Any model name/number or decal on the equipment

- Serial number
- EPA label
- Any of the following emission controls: TWC, OC, O2S, HO2S, AIR, PAIR, EM, EFI, MFI, TBI, EGR
- Fuel Tank
- Crankcase
- Carburetor (from as many sides as possible)
- Carburetor components (if applicable)
- Box (if applicable)

**Attach a copy of the:**

- Customs (CBP) Entry/Immediate Delivery form (CBP Form 3461)
- EPA Declaration Forms 3520-1 or 3520-21
- owner's manual
- invoices and/or bills of lading

## Compliance Determination Guidelines

### **Does the vehicle/engine have an EPA label?**

If not, the vehicle/engine may be uncertified.

### **If vehicle, is vehicle type appropriately certified?**

Determine if vehicle is appropriately certified, according to definitions in 40 C.F.R. § 1051.801; 40 C.F.R. § 1054.801; and 40 C.F.R. § 86.402-98. As part of the determination, note that the regulations at 40 C.F.R. § 85.1703 exclude from the definition of “motor vehicles” certain vehicles.

### **If equipment (not vehicle) with spark-ignition engine, is an appropriately-certified engine installed?**

If the engine type is spark-ignition, determine if it is appropriately certified for equipment application, according to definitions in 40 C.F.R. §§ 90.116, 1054.1, and 1054.801. If the engine is certified as Class 5 handheld and has a displacement greater than 80 cc, note that 40 C.F.R. § 1054.103(e) does not allow installation in nonhandheld equipment. If the engine is certified as Class 5 handheld and has a displacement greater than 80 cc, also note that 40 C.F.R. § 1054.801 allows handheld engines to be used in recreational applications only if the combined total vehicle dry weight is less than 20 kg (44 lbs). If the engine power is greater than 19 kW (25 HP), note that the engines should be certified under 40 C.F.R. Part 1048, except in accordance with 40 C.F.R. § 1048.615. Note that the new Phase III standards for spark-ignition engines generally take effect as follows: 2010 - handheld (combined total vehicle dry weight is less than 16 kg or a recreational vehicle combined total vehicle dry weight is less than 20 kg); 2011 – nonhandheld engines with displacement  $\geq$  225 cc; and nonhandheld engines with displacement  $<$  225 cc. Note the exemptions and requirements in 40 C.F.R. Part 1054.

### **Using information from the box, EPA label, DOT label, entry forms, and owner’s manual, was the vehicle/engine manufactured after the applicable certificate of conformity (COC) effective date?**

Note any discrepancies, based on source of information. If the vehicle/engine was manufactured before the applicable COC effective date, the vehicle/engine may be uncertified.

### **Is the engine’s cycle (2-stroke or 4-stroke) as stated in the product manual or other accompanying documentation consistent with the COC or COC application?**

If not, the vehicle/engine may be uncertified.

### **Is the engine’s displacement as stated in the product manual or other accompanying documentation consistent with the COC or COC application?**

If not, the vehicle/engine may be uncertified.

**Is the engine's power as stated in the product manual or other accompanying documentation consistent with the COC or COC application?**

If not, the vehicle/engine may be uncertified.

**For vehicles, is the transmission consistent with the COC or COC application?**

If not, the vehicle may be uncertified.

**Is the vehicle/engine manufacturer identified on the box, EPA label, entry forms, or owner's manual listed in the COC application?**

Note any discrepancies with the COC application. For vehicles, use the first three digits of any VIN and the WMI (VIN Decoder) Database at <http://www.nhtsa.dot.gov/cars/rules/manufacture/> to determine the manufacturer. Enter the first three digits of any VIN into the database in the "WMI" row to determine the manufacturer's name and address assigned to the VIN. If the vehicle/engine manufacturer is different from the one listed in the COC application, the vehicle/engine may be uncertified.

**Is the vehicle/engine model listed on the COC or COC application?**

Based on decals/ badges on a vehicle/engine, note any discrepancies with models listed on the corresponding COC. If the vehicle/engine model is not listed on the COC or in the COC application, the vehicle/engine may be uncertified.

**For vehicles, is the vehicle model year, based on 10<sup>th</sup> digit of the VIN, consistent with the model year of the COC?**

If not, the vehicle may be uncertified.

**If not a vehicle engine, is the engine model year identified on the EPA label, entry forms, or owner's manual or other accompanying documentation consistent with the model year of the COC?**

Note any discrepancies, based on source of information. If the engine model year is not consistent with the model year of the COC, the engine may be uncertified.

**Are the emission controls consistent with the description in the COC application?**

Note any discrepancies with the presence, part number(s), and the specifications for the emission controls. For catalysts, use the catalyst worksheet. If the emission controls are not consistent with the description in the COC application, the vehicle/engine may be uncertified.

**Is the carburetor manufacturer consistent with the description in the COC application?**

If not, the vehicle/engine may be uncertified.

**Is the carburetor part number consistent with the description in the COC application?**

If not, the vehicle/engine may be uncertified.

**Is the fuel tank composition consistent with the description in the COC application?**

If not, the vehicle/engine may be uncertified.

**Based on a review of the inspection checklist, are there adjustable parameters on the vehicle/engine, and, if so, is this consistent with the description in the COC application?**

If the vehicle/engine does not conform to the description of adjustable parameters in the COC application, the vehicle/engine may be uncertified.

**Based on a review of the inspection checklist, are there any internal carburetor components that, if replaced, may affect emissions (e.g., any carburetor jet), and, if so, is this consistent with the description in the COC application?**

If the vehicle/engine contains replaceable internal carburetor components that are not listed in the COC application, the vehicle/engine may be uncertified.

**Does crankcase vent to open air?**

If so, the vehicle/engine may be uncertified.

**Does the EPA label conform to the regulations cited below with regard to performance, accuracy, and content?**

To conform to the regulations cited below, the labels should not be capable of being removed without being destroyed or defaced, and the required content of the labels must be present and accurate. For accuracy, compare the engine family designation, evaporative family designation, fuel type, emission control system abbreviations, and other information listed on EPA label with the corresponding COC and COC application and note any discrepancies.

|  |  |
|--|--|
| Small Non-road Spark Ignition Engines..... | 40 C.F.R. § 90.114; 40 C.F.R. § 1054.135 |
| Large Non-road Spark Ignition Engines..... | 40 C.F.R. § 1048.135                     |
| Non-road Compression Ignition Engines..... | 40 C.F.R. § 89.110, § 1039.135           |
| Recreational Vehicles and Engines.....     | 40 C.F.R. § 1051.135                     |
| On-highway Motorcycles.....                | 40 C.F.R. § 86.413-2006                  |

**Does the length of the emissions warranty conform to the regulations cited below?**

Compare the information from the owner's manual, warranty card, or other documentation with the regulatory requirements.

|  |   |
|--|---|
| Small Non-road Spark Ignition Engines..... | 40 C.F.R. § 90.1103(a), § 90.1104; 40 C.F.R. § 1054.120 |
| Large Non-road Spark Ignition Engines..... | 40 C.F.R. § 1048.101(g), § 1048.120                     |
| Non-road Compression Ignition Engines..... | 40 C.F.R. § 89.104, § 1039.120                          |
| Recreational Vehicles and Engines.....     | 40 C.F.R. § 1051.120                                    |
| On-highway Motorcycles.....                | 42 U.S.C. § 7541 (a)(1), 40 C.F.R. § 86.402-98          |

**Other Comments and Compliance Issues**

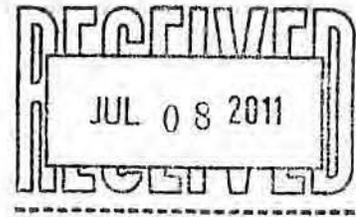
(Note any discrepancies with the information from the inspection with the COC application):

**Catalyst Measurement Worksheet**

*Please insert N/A for items that are not applicable to the vehicle undergoing inspection.*

|  |                                |  |                        |                           |
|--|--------------------------------|--|------------------------|---------------------------|
| Engine Family                                |                                |  |                        |                           |
| VIN/Serial No.                               |                                |  |                        |                           |
|  |                                |  |                        |                           |
|  | <b>Measure Values (inches)</b> |  | <b>Calculated (mm)</b> | <b>Certificate Values</b> |
| Outside diameter of casing                   |                                |  |                        |                           |
| Inside diameter of casing                    |                                |  |                        |                           |
| Overall length of casing                     |                                |  |                        |                           |
| Length of catalyst material                  |                                |  |                        |                           |
|  |                                |  |                        |                           |
| Counted cells (total)                        |                                |  |                        |                           |
| Calculated cells per inch <sup>2</sup> (cpi) |                                |  |                        |                           |
|  |                                |  |                        |                           |
| <b>If laboratory tested:</b>                 |                                |  |                        |                           |
| Active Material Loading (g/L)                |                                |  |                        |                           |
| Ratio  |                                |  |                        |                           |
|  |                                |  |                        |                           |
| Inspector:                                   |                                |  |                        |                           |
| Date:  |                                |  |                        |                           |

**Taotao USA Inc.**  
**2425 Camp Ave #100**  
**Carrollton, Tx 75006**  
**Tel. 214-635-3980**  
**Fax 214-635-3985**



June 27, 2011

Christopher A. Thompson  
Attn: *AED/MSEB #7872*  
Air Enforcement Division Office of Civil Enforcement  
U.S. Environmental Protection Agency (*2242A*) Room 5039A  
1200 Pennsylvania Ave., NW Washington, DC 20004

RE: Report on Administrative Settlement Agreement

Dear Mr. Thompson,

Under the guidelines of the ASA between U.S. Environmental Protection Agency and Taotao USA Inc. I am sending in our first report as required under the agreement.

Civil Fine

Final payment of assessed civil penalty will be made on or before July 1, 2011

Imports

The total number of vehicles imported during the reporting period is approximately 54,500 units.

I am including as attachments our current Certificates of Conformity for the current model year.

Taotao has implemented Production line testing of Taotao vehicles indicating positive emission and 3rd party catalyst test results.

There have been no previous reports to EPA based on the ASA.

There have been no Warranty claims involving subject vehicles. (They have not been sold)

Subject Vehicle Corrective Action Plan

As of June 24, 2011, we have reconditioned 2,954 of the 3,768 subject vehicles. (See attachment for list of VINs for vehicles)

We fully anticipate completion of the reconditioning project in the next 60 days.

None of the Subject Vehicles have been sold or otherwise been put into commerce and remain in our custody "quarantened" from the remaining inventory.

I certify under penalty of law that I have examined and am familiar with the information submitted in this document and all attachments and that this document and its attachments were prepared either by me personally or under my direction or supervision in a manner designed to ensure that qualified and knowledgeable personnel properly gather and present the information contained therein. I further certify, based on my personal knowledge or on my inquiry of those individuals immediately responsible for obtaining the information, that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowingly and willfully submitting a materially false statement. .

Signed this 27<sup>th</sup> day of June, 2011



\_\_\_\_\_  
Mike Hillman  
Taotao USA Inc.

2010-2011

| ENGINE FAMILY | MODEL NO. | 2010 QTY | ENGINE FAMILY | MODEL NO. | 2011 QTY |
|---------------|-----------|----------|---------------|-----------|----------|
| ATAOX0. 12A1T | ATA110-B  | 7415     | BTAOX0. 12A1T | ATA110-B  | 9420     |
|               | ATA110-D  | 5083     |               | ATA110-D  | 3330     |
|               | ATA110-F  | 1538     |               | ATA110-F  | 774      |
|               | ATA110-A  | 316      |               | ATA110-A  | 184      |
|               | ATA110-C  | 114      |               | ATA110-C  | 798      |
|               | ATA125-A  | 282      |               | ATA125-A  | 1721     |
|               | ATA125-D  | 1510     |               | ATA125-D  | 4428     |
|               | ATA125-E  | 743      |               | ATA125-E  | 0        |
|               | ATA125-F  | 1011     |               | ATA125-F  | 768      |
|               | ATA125-B  | 108      |               | ATA125-B  | 1296     |
| ATAOX. 150AAA | ATA150-B  | 758      | BTAOX. 150AAA | ATA150-B  | 252      |
|               | ATA150-D  | 432      |               | ATA150-D  | 390      |
|               | ATA150-A  | 125      |               | ATA150-A  | 169      |
| ATAOX. 230AAB | ATA250-C  | 0        | BTAOX. 230AAB | ATA250-C  | 84       |
|               | ATA250-D  | 1152     |               | ATA250-D  | 450      |
| ATAOX. 250AAB | ATA250C-E | 0        | BTAOX. 250AAB | ATA250C-E | 0        |
|               | ATA250C-A | 0        |               | ATA250C-A | 0        |
| ATAOX. 124AAA | ATD125-C  | 153      | BTAOX. 124AAA | ATD125-C  | 765      |
|               | ATD90-A   | 52       |               | ATD90-A   | 254      |
| ATAOX0. 15G2T | ATK125-A  | 448      | BTAOX0. 15G2T | ATK125-A  | 672      |
|               | ATK150-A  | 53       |               | ATK150-A  | 0        |
| ATAOC. 150MC1 | ATM150-A  | 98       | BTAOC. 150MC1 | ATM150-A  | 312      |
|               | CY150-A   | 207      |               | CY150-A   | 2696     |
| ATAOC. 049MC1 | ATM50-A   | 2782     | BTAOC. 049MC1 | ATM50-A   | 7560     |
|               | CY50-A    | 420      |               | CY50-A    | 3360     |
|               | CY50-B    | 210      |               | CY50-B    | 756      |
|               | CY50-D    | 120      |               | CY50-D    | 84       |
|               | CY50-T3   | 1552     |               | CY50-T3   | 1620     |

From: Amelie Isin/DC/USEPA/US  
To: mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>,  
Cc: Christopher Thompson/DC/USEPA/US@EPA  
Date: 08/25/2011 03:54 PM  
Subject: Re: Taotao Reports 1

---

Mike,

It looks like there are about 55 files -- are they all in Chinese? What are they? Please provide an explanation -- I thought these would be the checklists.

Amelie

Amelie Isin, P.E.  
USEPA Office of Enforcement and Compliance Assurance  
Air Enforcement Division, Mobile Source Enforcement Branch  
202-564-0842

CONFIDENTIALITY NOTICE: This transmission is intended to be delivered only to the named addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named addressee(s), please notify the sender immediately, by reply e-mail to [isin.amelie@epa.gov](mailto:isin.amelie@epa.gov) and/or by telephone (202) 564-0842, to obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by anyone other than the named addressee(s), except with the express written consent of the sender or the named addressee(s). Thank you.

▼ mike taotao ---08/25/2011 03:50:21 PM---Amelie, Sorry to send like this. It's the only way I could.

From: mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>  
To: Amelie Isin/DC/USEPA/US@EPA, Christopher Thompson/DC/USEPA/US@EPA  
Date: 08/25/2011 03:50 PM  
Subject: Taotao Reports 1

---

Amelie,

Sorry to send like this. It's the only way I could.

--

Mike Hillman  
Taotao USA Inc.  
Dallas, Tx  
Phone: 214-415-8532  
Fax: 214-239-8168  
[mikeh@taotao.us](mailto:mikeh@taotao.us)  
[www.taotao.us](http://www.taotao.us)



From: mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>  
To: Amelie Isin/DC/USEPA/US@EPA, Christopher Thompson/DC/USEPA/US@EPA,  
Date: 08/29/2011 04:06 PM  
Subject: Re: Taotao Reports 1

---

Ms Isin,

I am having these translated and hope to fwd to you tomorrow.

Thank you,

Mike Hillman  
Taotao

On Thu, Aug 25, 2011 at 4:28 PM, mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)> wrote:  
Amelie,

Let me find out exactly what these are. My belief is that these are translation of the forms from the ASA and are the test results from different engine families.

Thank you,

Mike H

On Thu, Aug 25, 2011 at 2:49 PM, mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)> wrote:

Amelie,

Sorry to send like this. It's the only way I could.

--

Mike Hillman  
Taotao USA Inc.  
Dallas, Tx  
Phone: [214-415-8532](tel:214-415-8532)  
Fax: [214-239-8168](tel:214-239-8168)  
[mikeh@taotao.us](mailto:mikeh@taotao.us)  
[www.taotao.us](http://www.taotao.us)

Please consider the environment before printing this e-mail.

--

Mike Hillman  
General Manager

Taotao USA Inc.  
Dallas, Tx  
Phone: [214-415-8532](tel:214-415-8532)  
Fax: [214-239-8168](tel:214-239-8168)  
[mikeh@taotao.us](mailto:mikeh@taotao.us)  
[www.taotao.us](http://www.taotao.us)

Please consider the environment before printing this e-mail.

--

Mike Hillman  
General Manager  
Taotao USA Inc.  
Dallas, Tx  
Phone: 214-415-8532  
Fax: 214-239-8168  
[mikeh@taotao.us](mailto:mikeh@taotao.us)  
[www.taotao.us](http://www.taotao.us)

Please consider the environment before printing this e-mail.

From: Amelie Isin/DC/USEPA/US  
To: [mikeh@taotao.us](mailto:mikeh@taotao.us),  
Cc: Christopher Thompson/DC/USEPA/US  
Date: 09/28/2011 12:02 PM  
Subject: Fw: TAOTAO Group Reports/ Translated

---

Mike,

It's been over two weeks and I haven't received a response to my message below. Please let us know what is going on.

Thanks,  
Amelie

Amelie Isin, P.E.  
USEPA Office of Enforcement and Compliance Assurance  
Air Enforcement Division, Mobile Source Enforcement Branch  
202-564-0842

CONFIDENTIALITY NOTICE: This transmission is intended to be delivered only to the named addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named addressee(s), please notify the sender immediately, by reply e-mail to [isin.amelie@epa.gov](mailto:isin.amelie@epa.gov) and/or by telephone (202) 564-0842, to obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by anyone other than the named addressee(s), except with the express written consent of the sender or the named addressee(s). Thank you.

----- Forwarded by Amelie Isin/DC/USEPA/US on 09/28/2011 12:01 PM -----

From: Amelie Isin/DC/USEPA/US  
To: Christopher Thompson/DC/USEPA/US, [mikeh@taotao.us](mailto:mikeh@taotao.us)  
Date: 09/13/2011 03:53 PM  
Subject: Fw: TAOTAO Group Reports/ Translated

---

Mike,

Thanks for these translations. However, I am wondering if you can also provide the attachments (i.e., inspection photos, import documents, catalyst test reports) that support each of these inspection checklists?

Thanks,  
Amelie

Amelie Isin, P.E.  
USEPA Office of Enforcement and Compliance Assurance  
Air Enforcement Division, Mobile Source Enforcement Branch  
202-564-0842

CONFIDENTIALITY NOTICE: This transmission is intended to be delivered only to the named

addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named addressee(s), please notify the sender immediately, by reply e-mail to [isin.amelie@epa.gov](mailto:isin.amelie@epa.gov) and/or by telephone (202) 564-0842, to obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by anyone other than the named addressee(s), except with the express written consent of the sender or the named addressee(s). Thank you.

----- Forwarded by Amelie Isin/DC/USEPA/US on 09/13/2011 03:42 PM -----

From: mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>  
To: Amelie Isin/DC/USEPA/US@EPA, Christopher Thompson/DC/USEPA/US@EPA  
Date: 09/01/2011 11:34 AM  
Subject: TAOTAO Group Reports/ Translated

---

Dear Ms Isin and Mr Thompson,

Here are some of the reports translated.

Please let me know if this format is acceptable.

Thank you,

Mike Hillman  
Taotao USA Inc.  
Phone: 214-415-8532  
Fax: 214-239-8168  
[mikeh@taotao.us](mailto:mikeh@taotao.us)  
[www.taotao.us](http://www.taotao.us)

Please consider the environment before printing this e-mail.

*(See attached file: 2010,7,16,2\_\_ATA250-D\_EPA\_\_\_\_.xls)(See attached file:*

*2010,8,4\_1\_\_ATA250C-A\_EPA\_\_\_\_.xls)(See attached file:*

*2010\_4\_7\_\_EPA\_\_Book1.xls)(See attached file: 2010\_8\_25\_\_EPA\_\_Book1.xls)*

From: Amelie Isin/DC/USEPA/US  
To: mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>,  
Cc: Christopher Thompson/DC/USEPA/US  
Date: 10/18/2011 10:53 AM  
Subject: Fw: From Taotao USA

---

Mike,

I'm STILL WAITING to receive the checklist attachments from you. As a reminder, under Taotao's settlement agreement with EPA, stipulated penalties apply for failure to submit any written deliverable, including checklists and attachments (\$750 per deliverable per day for the first 30 days, \$1,000 per deliverable per day for the next 30 days, \$1,500 per deliverable per day thereafter).

We have serious concerns regarding Taotao's commitment to fulfilling its settlement obligations.

I requested this information over a month ago. Please let me know the tracking number for your package.

Thanks,  
Amelie

Amelie Isin, P.E.  
USEPA Office of Enforcement and Compliance Assurance  
Air Enforcement Division, Mobile Source Enforcement Branch  
202-564-0842

CONFIDENTIALITY NOTICE: This transmission is intended to be delivered only to the named addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named addressee(s), please notify the sender immediately, by reply e-mail to [isin.amelie@epa.gov](mailto:isin.amelie@epa.gov) and/or by telephone (202) 564-0842, to obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by anyone other than the named addressee(s), except with the express written consent of the sender or the named addressee(s). Thank you.

----- Forwarded by Amelie Isin/DC/USEPA/US on 10/18/2011 10:39 AM -----

From: Amelie Isin/DC/USEPA/US  
To: mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>  
Cc: Christopher Thompson/DC/USEPA/US  
Date: 10/11/2011 09:06 AM  
Subject: Re: From Taotao USA

---

Mike,

We unfortunately don't have an FTP site. Please send us either a hard copy or a CD containing the files, and make sure to indicate which checklist the attachments belong to.

Thanks,  
Amelie

Amelie Isin, P.E.  
USEPA Office of Enforcement and Compliance Assurance  
Air Enforcement Division, Mobile Source Enforcement Branch  
202-564-0842

CONFIDENTIALITY NOTICE: This transmission is intended to be delivered only to the named addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named addressee(s), please notify the sender immediately, by reply e-mail to [isin.amelie@epa.gov](mailto:isin.amelie@epa.gov) and/or by telephone (202) 564-0842, to obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by anyone other than the named addressee(s), except with the express written consent of the sender or the named addressee(s). Thank you.

▼ mike taotao ---10/07/2011 01:18:14 PM---Amelie, I have received some reports and photos from the factory.

From: mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>  
To: Amelie Isin/DC/USEPA/US@EPA  
Date: 10/07/2011 01:18 PM  
Subject: From Taotao USA

---

Amelie,

I have received some reports and photos from the factory.

The files are huge. Do you have an FTP site that I can upload large files to?  
The documents aren't that large,,I believe it's the photos.

Please advise,

Mike Hillman  
Taotao USA Inc.  
Phone: 214-415-8532  
Fax: 214-239-8168  
[mikeh@taotao.us](mailto:mikeh@taotao.us)  
[www.taotao.us](http://www.taotao.us)

Please consider the environment before printing this e-mail.

From: Amelie Isin/DC/USEPA/US  
To: [mikeh@taotao.us](mailto:mikeh@taotao.us),  
Cc: Christopher Thompson/DC/USEPA/US  
Date: 10/31/2011 05:06 PM  
Subject: Fw: Taotao

---

Mike,

A correction to my earlier message -- I need to receive these materials by Friday, Nov. 11, 2011, or EPA will seek stipulated penalties under our administrative settlement agreement with Taotao.

Sincerely,

Amelie Isin, P.E.  
USEPA Office of Enforcement and Compliance Assurance  
Air Enforcement Division, Mobile Source Enforcement Branch  
202-564-0842

CONFIDENTIALITY NOTICE: This transmission is intended to be delivered only to the named addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named addressee(s), please notify the sender immediately, by reply e-mail to [isin.amelie@epa.gov](mailto:isin.amelie@epa.gov) and/or by telephone (202) 564-0842, to obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by anyone other than the named addressee(s), except with the express written consent of the sender or the named addressee(s). Thank you.

----- Forwarded by Amelie Isin/DC/USEPA/US on 10/31/2011 05:05 PM -----

From: Amelie Isin/DC/USEPA/US  
To: mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>  
Cc: Christopher Thompson/DC/USEPA/US  
Date: 10/31/2011 05:01 PM  
Subject: Re: Taotao

---

Mike,

I received the CD you sent by FedEx and was able to open the files to see the photos. However, I previously requested all the attachments (including import documents and catalyst test reports) that support each of the 4 translated inspection checklists for MY2010 vehicles that you e-mailed me on 9/1/2011. Why did you send only photos? If there are no import documents or catalyst test reports available for these vehicles, please provide an explanation.

To date, the complete attachments (photos, import documents, and catalyst test reports) for the 4 MY2010 vehicles are still missing. I need to receive these materials by Friday, Oct. 11, 2011, or EPA will seek stipulated penalties under our administrative settlement agreement with Taotao.

Sincerely,

Amelie Isin, P.E.

USEPA Office of Enforcement and Compliance Assurance  
Air Enforcement Division, Mobile Source Enforcement Branch  
202-564-0842

CONFIDENTIALITY NOTICE: This transmission is intended to be delivered only to the named addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named addressee(s), please notify the sender immediately, by reply e-mail to [isin.amelie@epa.gov](mailto:isin.amelie@epa.gov) and/or by telephone (202) 564-0842, to obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by anyone other than the named addressee(s), except with the express written consent of the sender or the named addressee(s). Thank you.

▼ mike taotao ---10/27/2011 12:35:53 PM---Dear Ms. Isin, I hope you received the sample reports and corresponding photos.

From: mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>  
To: Amelie Isin/DC/USEPA/US@EPA  
Date: 10/27/2011 12:35 PM  
Subject: Taotao

---

Dear Ms. Isin,

I hope you received the sample reports and corresponding photos.

If these are acceptable I will have them burn all to a disk or try and reduce the size to email to us direct.

I realize that these are in Chinese, however, the model #s, engine families, VINs, etc. are easily seen. The form they use came directly from the checklist/req. from the ASA.

Please let me know. I can ask them to translate if necessary. Sorry for the delay.

Sincerely,

Mike Hillman

--

Mike Hillman  
Taotao USA Inc.  
Phone: 214-415-8532  
Fax: 214-239-8168  
[mikeh@taotao.us](mailto:mikeh@taotao.us)  
[www.taotao.us](http://www.taotao.us)

Please consider the environment before printing this e-mail.

From: Amelie Isin/DC/USEPA/US  
To: mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>,  
Cc: Christopher Thompson/DC/USEPA/US  
Date: 10/31/2011 05:01 PM  
Subject: Re: Taotao

---

Mike,

I received the CD you sent by FedEx and was able to open the files to see the photos. However, I previously requested all the attachments (including import documents and catalyst test reports) that support each of the 4 translated inspection checklists for MY2010 vehicles that you e-mailed me on 9/1/2011. Why did you send only photos? If there are no import documents or catalyst test reports available for these vehicles, please provide an explanation.

To date, the complete attachments (photos, import documents, and catalyst test reports) for the 4 MY2010 vehicles are still missing. I need to receive these materials by Friday, Oct. 11, 2011, or EPA will seek stipulated penalties under our administrative settlement agreement with Taotao.

Sincerely,

Amelie Isin, P.E.  
USEPA Office of Enforcement and Compliance Assurance  
Air Enforcement Division, Mobile Source Enforcement Branch  
202-564-0842

CONFIDENTIALITY NOTICE: This transmission is intended to be delivered only to the named addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named addressee(s), please notify the sender immediately, by reply e-mail to [isin.amelie@epa.gov](mailto:isin.amelie@epa.gov) and/or by telephone (202) 564-0842, to obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by anyone other than the named addressee(s), except with the express written consent of the sender or the named addressee(s). Thank you.

▼ mike taotao ---10/27/2011 12:35:53 PM---Dear Ms. Isin, I hope you received the sample reports and corresponding photos.

From: mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>  
To: Amelie Isin/DC/USEPA/US@EPA  
Date: 10/27/2011 12:35 PM  
Subject: Taotao

---

Dear Ms. Isin,

I hope you received the sample reports and corresponding photos.

If these are acceptable I will have them burn all to a disk or try and reduce the size to email to us direct.

I realize that these are in Chinese, however, the model #s, engine families, VINs, etc. are easily seen. The form they use came directly from the checklist/req. from the ASA.

Please let me know. I can ask them to translate if necessary. Sorry for the delay.

Sincerely,

Mike Hillman

--

Mike Hillman  
Taotao USA Inc.  
Phone: 214-415-8532  
Fax: 214-239-8168  
[mikeh@taotao.us](mailto:mikeh@taotao.us)  
[www.taotao.us](http://www.taotao.us)

Please consider the environment before printing this e-mail.



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

January 3, 2012

OFFICE OF  
ENFORCEMENT AND  
COMPLIANCE ASSURANCE

VIA EMAIL AND CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Terry Cao  
President  
Taotao USA, Inc.  
Suite 100  
2425 Camp Avenue  
Carrollton, Texas 75006

Re: *In the matter of Taotao USA, Inc.*  
AED/MSEB No. 7872

Dear Mr. Cao,

We have serious concerns with Taotao USA, Inc.'s commitment to honoring its obligations under the Vehicle and Engine Compliance Plan (VECP), Attachment C to the Administrative Settlement Agreement (ASA) between the U.S. Environmental Protection Agency and Taotao USA, Inc., effective June 28, 2010.

Catalyst Test Reports

The reporting requirements of the VECP are set forth in Paragraph 22 of the VECP. As you know, Taotao has provided only a few of the documents it is required to provide to EPA under the ASA. Catalyst testing is required by Paragraph 12 of the VECP, and Paragraph 22(b) of the VECP specifies that your annual progress report must include "the results of all inspections and emission or catalyst tests performed by Taotao...." In addition, under Paragraph 38 of the ASA and Paragraph 18 of the VECP, Taotao is required to provide test reports to EPA upon request. Although we requested all attachments related to the inspection checklists for the vehicles with VINs L5NATMCT1AT241760, L5NATSBB3AT018858, L5NATMCT4AT263039, and L5NATSBB7AT018765, via e-mail on September 13, 2011, October 18, 2011, and October 31, 2011, you have not provided the complete catalyst test results, specifically the active material loading, for these vehicles or engine families. EPA requires these test results to verify whether the catalysts met design specifications.

Emission Control Information Labels

Additionally, based on EPA's review of the photos of the emission control information labels attached to each of the four checklists referenced above, EPA has determined that Taotao affixed labels to recreational vehicles that displayed incorrect engine family names, as shown in the table below.

| Entry No.     | Qty | Correct Engine Family | COC issue date | Mfr. date | Import date | Engine Family on Label |
|---------------|-----|-----------------------|----------------|-----------|-------------|------------------------|
| ES2-0152340-5 | 92  | ATAOX0.12A1T          | 11/20/2009     | Aug-10    | 9/21/2010   | CTAOX0.12A1T           |
| ES3-5500166-1 | 136 | ATAOX0.12A1T          | 11/20/2009     | Apr-10    | 5/25/2010   | BTAOX0.12A1T           |
| ES2-0149391-4 | 79  | ATAOX.230AAB          | 11/5/2009      | Jul-10    | 8/3/2010    | BTAOX.230AAB           |
| ES2-0150528-7 | 36  | ATAOX.250AAB          | 11/5/2009      | Aug-10    | 8/23/2010   | BTAOX.250AAB           |

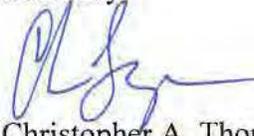
343

Under Paragraph 10(b) of the VECP, Taotao is required to confirm that vehicles are labeled in accordance with EPA's applicable regulatory requirements (in this case, 40 CFR § 1051.135). All 343 vehicles imported in the four entries evaluated by EPA (ES2-0152340-5, ES3-5500166-1, ES2-0149391-4, and ES2-0150528-7) likely have noncompliant labels similar to the inspected vehicles.

It is important that Taotao meet its obligations—as it agreed to do when it executed the ASA—to avoid future investigation and possible enforcement action related to the importation of its products into the U.S. Please send me the complete catalyst test reports and respond to the above issues no later than 10 business days from the date of this letter.

EPA reserves all rights under the ASA. Nothing in this letter limits EPA's right to proceed against Taotao in the event of default or noncompliance with the ASA, the Subject Vehicle Corrective Action Plan, or the Compliance Plan, for violations of §§ 203 or 213 of the Act, 42 U.S.C. §§ 7522 or 7547, 40 C.F.R. Part 1068, for other violations of law, or with respect to other matters not within the scope of this letter.

Sincerely,



Christopher A. Thompson

cc: Jacqueline Robles Werner, U.S. EPA  
Anne Wick, U.S. EPA  
Amelie Isin, U.S. EPA  
Mike Hillman, Taotao USA, Inc.



**Fw: Taotao**  
Christopher Thompson to: Amelie Isin

01/11/2012 05:21 PM

----- Forwarded by Christopher Thompson/DC/USEPA/US on 01/11/2012 05:21 PM -----

From: mike taotao <mikeh@taotao.us>  
To: Christopher Thompson/DC/USEPA/US@EPA  
Date: 01/11/2012 04:54 PM  
Subject: Taotao

---

Dear Mr. Thompson,

I have been in contact with our factory, our EPA consultant, and several other key persons in our company to bring this to a successful outcome.

As you know, I don't speak Chinese, but that is not an excuse.....just letting you know it is very difficult sometimes helping them understand what I am asking for and meeting requests for information.

The photos submitted on the CD were only meant as samples of our label, and were not meant to be interpreted as the actual label from the unit being tested. I should have reviewed those photos more carefully before sending them to Ms Isin.

I can say for sure that the labels on the units in our warehouses do have the correct engine families listed for 2010, 2011, and 2012 models.

I have been guaranteed I will have the catalyst test information within 7 days. The testing is being done on a regular basis, it just has to be translated. I will be in contact again this evening with China company reps and EPA consultant.

I assure you Taotao is more committed to compliance than ever. I hope you can understand and perhaps give us an additional period to bring our reporting up to date.

Sincerely,

Mike Hillman  
Taotao USA Inc.  
Phone: 214-415-8532  
Fax: 214-239-8168  
[mikeh@taotao.us](mailto:mikeh@taotao.us)  
[www.taotao.us](http://www.taotao.us)

Please consider the environment before printing this e-mail.



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

JAN 30 2012

OFFICE OF  
ENFORCEMENT AND  
COMPLIANCE ASSURANCE

VIA EMAIL AND CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Matao Cao, President  
Taotao USA, Inc.  
Suite 100  
2425 Camp Avenue  
Carrollton, Texas 75006

Re: *In the matter of Taotao USA, Inc.*  
AED/MSEB No. 7872

Dear Mr. Cao,

Taotao USA, Inc. (Taotao) is liable for stipulated penalties under Paragraph 29 of the Administrative Settlement Agreement (ASA) entered in the above-referenced matter. The stipulated penalties arise from several types of violations of the ASA, described below. Although the total amount due under the terms of the ASA may be as much as \$363,000, in an effort to avoid further litigation on these matters, the United States is willing to discuss a compromise of its claim for the stipulated penalties set forth below.

As you know, following our emails to your company in September and October regarding these issues, on January 3, 2012, the U.S. Environmental Protection Agency (EPA) formally notified you regarding the deficiencies in the reports you submitted under the ASA. To date, despite assurances to the contrary, you have not provided the information necessary to demonstrate compliance with the ASA.

Violations of the Vehicle and Engine Compliance Plan

First, Taotao failed to provide copies of catalyst test reports showing active material loading for at least four English-language inspection checklists for the engine families corresponding to the following VINs: L5NATMCT1AT241760, L5NATSBB3AT018858, L5NATMCT4AT263039, and L5NATSBB7AT018765. Therefore, Taotao failed to comply with the reporting requirements of Paragraph 22(b) of the Vehicle and Engine Compliance Plan (Attachment C) of the ASA. Catalyst testing is required by Paragraph 12 of Attachment C of the ASA. Taotao is liable for a stipulated penalty of \$5,000 per test under Paragraph 29(c) of the ASA because it failed to conduct the required tests. The stipulated penalty for failure to conduct catalyst testing is \$20,000 (\$5,000 for each of the four engine families).

Second, based on EPA's review of the photos of the emission control information labels attached to each of the four checklists referenced above, EPA has determined that Taotao affixed labels to recreational vehicles that displayed incorrect engine family names. Under Paragraphs 10(b) and 13 of Attachment C of the ASA, Taotao is required to confirm that vehicles are labeled in accordance with EPA's applicable regulatory requirements (in this case, 40 CFR § 1501.135). Since there were 343 vehicles imported with noncompliant labels in the four entries evaluated by EPA (ES2-0152340-5, ES3-5500166-1, ES2-0149391-4, and ES2-0150528-7), the total stipulated penalty under Paragraph 29(i) is \$343,000 (\$1,000 per vehicle).

EPA reserves all rights under the ASA. Nothing in this letter limits EPA's right to proceed against Taotao in the event of default or noncompliance with the ASA, the Subject Vehicle Corrective Action Plan, or the Compliance Plan, for violations of §§ 203 or 213 of the Act, 42 U.S.C. §§ 7522 or 7547, 40 C.F.R. Part 1068, for other violations of law, or with respect to other matters not within the scope of this letter.

Please contact Christopher Thompson at [thompson.christopher@epa.gov](mailto:thompson.christopher@epa.gov) regarding this matter within 10 business days from the date of this letter.

Sincerely



Phillip A. Brooks

cc: Christopher Thompson, U.S. EPA  
Anne Wick, U.S. EPA  
Amelie Isin, U.S. EPA  
Mike Hillman, Taotao USA, Inc.



Re: Taotao USA, Inc. Settlement Report

曹马涛

to:

Christopher Thompson

02/08/2012 01:07 AM

Cc:

Jackie Wang, qiong li, Jimmy So, mike taotao, Peter Liu, tammy taotao, Amelie Isin, Anne Wick

Hide Details

From: 曹马涛 <taotaoreport@gmail.com> Sort List...

To: Christopher Thompson/DC/USEPA/US@EPA

Cc: Jackie Wang <jackie@taotao.us>, qiong li <janelee217@gmail.com>, Jimmy So <jimmysous@gmail.com>, mike taotao <mikeh@taotao.us>, Peter Liu <peter@taotao.us>, tammy taotao <tammy@taotao.us>, Amelie Isin/DC/USEPA/US@EPA, Anne Wick/DC/USEPA/US@EPA

Dear officers of EPA:

Thanks for your response, thanks for attention of EPA.

I just want to say some points of TAOTAO USA.

1. We don't have any complain about agreements and penalty of EPA in 2010.
2. The catalyst test report is on the way, we almost take one month holiday since 07 Jan 2012. It is late to submit to you.  
We will give it to you in this week, maybe next monday. I hope you can understand, it is really difficult to do anything in china when the chinese new year holiday coming.
3. TAOTAO USA want to be a real american company, and we want to run this powersports business like american, to follow the all of the law of US, we won't like any chinese factory to skip those step in the US.
4. The cost of TAOTAO atvs are 15% more than other chinese factories, just for following the law of EPA and CPSC.  
We got penalty from EPA, and our containers got hold by EPA, so we understand that following the law is really important to do business in US. Our competitors never get penalty from EPA, so they are

keeping produce unqualified ATVs.

We hope EPA and CPSC can understand that why american buy chinese ATV, because that is cheap! Our marketing share from 30% drops to 20% in 2 years, because their ATVs can be lower 15%, and 15% cost is unfair for TAOTAO. We submit some informations to your office, but still no one going to check it. Although EPA and CPSC never hurt TAOTAO, but in fact, EPA and CPSC already help our competitors kick TAOTAO out of US market. TAOTAO never worry EPA will check our unit and punish us, we only care EPA can fair to everyone, don't just focus on TAOTAO and forgot other importers.

5. We always believe that we happy to do everything follow US laws. We hope EPA trust that, only few factories want to do right thing by heart. We hope EPA can understand us, and support us. TAOTAO is doing this business 5 years, we won't lose those excellent staffs, we don't want they lost job. But, if some unfair reasons caused our business dropping, we have gradually to close those company, although, that result is not I can accept.

TERRY CAO

TAOTAO USA

在 2012-2-8 , 上午6:07 , Christopher Thompson 写道 :

Mr. Cao, thank you for your email. I want to respond to your concerns.

1. Taotao entered into a settlement agreement with the U.S. on June 28, 2010. You executed it on behalf of Taotao. On behalf of your company, you agreed to do three things to resolve the violations associated with the Taotao vehicles imported into the U.S. in 2009 and 2010.

2. You agreed to pay a penalty. You paid the penalty in installments and have completed that requirement.

3. You agreed to perform corrective action on the vehicles seized by U.S. Customs. Based on the documents and information you submitted to EPA, we determined that the vehicles seized in Savannah were properly remediated and notified Customs of this.

4. You agreed to implement a compliance plan (attached to the agreement you signed) for 5 years. The plan is to ensure that the vehicles you manufacture and import are in compliance with U.S. law. Among other

things, this plan requires that Taotao test the catalysts of vehicles certified with a catalyst before there are imported into the U.S. The plan also requires that Taotao conduct inspections of the vehicles in accordance with the procedures in the plan before and after the vehicles are imported into the U.S., which includes the labels that are required under U.S. law.

5. The settlement agreement requires that Taotao submit an annual report regarding implementation of the compliance plan. That report was due June 28, 2011. To date, we have not received a complete report.

6. We contacted Taotao USA numerous times in the summer and fall of 2011 to get these materials. Eventually, we were provided with incomplete checklists in Chinese. English translations of a few of these checklists were provided in the fall 2011. Complete catalyst test results have not been provided.

7. On January 3, 2012, we wrote to you - using the same email address you use now - to formally notify you of these issues and give you a chance to respond. Mr. Hillman responded on January 11, 2012 and "guaranteed" that the catalyst test results would be provided in 7 days. We still have not received the reports. We did not receive a response to this letter from you.

8. In the settlement agreement Taotao agreed to pay penalties in the event that it did not comply with the terms of the settlement agreement.

9. On January 30, 2012 - 216 days after the information was due to EPA - we wrote to you to notify you of the penalties that you agreed to pay for these violations.

10. We are willing to discuss these violations of the agreement, but only if Taotao provides the information and test results that were due in June 2011.

11. If Taotao does not come into compliance with the settlement agreement, EPA will enforce the agreement in the manner described in paragraph 41 of the agreement. EPA also will notify Customs and request that it inspect - and if necessary seize - Taotao products to ensure compliance with U.S. law.

It is unfortunate that you believe that complying with U.S. law and the settlement agreement you signed will require that you close your distribution facilities next year. That is not our intent. We believe that it is important that companies honor their commitments made in settlement agreements. We believe that it is necessary to ensure compliance with U.S. law to protect the environment.

---

Christopher A. Thompson, Acting Chief

Mobile Source Enforcement Branch  
 Office of Civil Enforcement - Air Enforcement Division  
 U.S. Environmental Protection Agency  
 Ariel Rios South Building Rm. 1111C  
 1200 Pennsylvania Avenue, NW (2242A)  
 Washington, DC 20460 [For FedEx/UPS use 20004]  
 t (202) 564-3313  
 f (202) 564-0069

From: 曹马涛 <taotaoreport@gmail.com>  
 To: Christopher Thompson/DC/USEPA/US@EPA  
 Cc: mike taotao <mikeh@taotao.us>, tammy taotao  
 <tammy@taotao.us>, qiong li <janelee217@gmail.com>, Jackie  
 Wang <jackie@taotao.us>, Jimmy So <jimmysous@gmail.com>,  
 Peter Liu <peter@taotao.us>  
 Date: 02/07/2012 12:42 AM  
 Subject: Re: Taotao USA, Inc. Settlement Report

Mr Christopher Thompson:

We just finish the chinese new year, then we just come back to the office. I am really surprise the email you send to me.  
 We keep doing the right thing, and follow the EPA rules. We are the first chinese factory accept to pay the penalty to EPA.  
 We are really honest talk to EPA about further and learn how to do right thing. Unfortunately, the EPA department don't think about this.  
 After we talk in the Washington DC, we have the really hard time in those year. We follow the EPA then our cost is much more then anther factory, our sales is keeping down. EPA never check anther factory containers, they keep use parts name to instead ATV, we also send a lot of informations to you and your officers. But nobody really care about this. You keep give us penalty of EPA. Maybe EPA think TAOTAO import more than someone, so we can pay more penalty, I think you forgot one thing, our sales is going down lots than before. Unfortunately, TAOTAO USA INC make a difficult decision, We are going to close the Indianapolis and atlanta warehouse this year, close Dallas LA warehouse next year! So that's why I come back to china do anther business.  
 So sorry for all of employees of TAOTAO USA INC. Wish you can have a nice job in the further. It is not our problem. US government want to keep TAOTAO USA out of US, so I have no chose.

Thanks for every one..

TERRY CAO

TAOTAO USA

在 2012-2-6 , 下午10:53 , Christopher Thompson 写道 :

Please see the attached letter regarding Taotao's compliance with the settlement agreement. Please contact me regarding this letter this week.

---

Christopher A. Thompson, Acting Chief  
Mobile Source Enforcement Branch  
Office of Civil Enforcement - Air Enforcement Division  
U.S. Environmental Protection Agency  
Ariel Rios South Building Rm. 1111C  
1200 Pennsylvania Avenue, NW (2242A)  
Washington, DC 20460 [For FedEx/UPS use 20004]  
t (202) 564-3313  
f (202) 564-0069

(See attached file: [Untitled].pdf)<[Untitled].pdf>



From: Christopher Thompson/DC/USEPA/US  
To: 曹马涛 <[taotaoreport@gmail.com](mailto:taotaoreport@gmail.com)>,  
Cc: Jackie Wang <[jackie@taotao.us](mailto:jackie@taotao.us)>, qiong li <[janelee217@gmail.com](mailto:janelee217@gmail.com)>, Jimmy So <[jimmysous@gmail.com](mailto:jimmysous@gmail.com)>, mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>, Peter Liu <[peter@taotao.us](mailto:peter@taotao.us)>, tammy taotao <[tammy@taotao.us](mailto:tammy@taotao.us)>, Amelie Isin/DC/USEPA/US@EPA, Anne Wick/DC/USEPA/US@EPA  
Date: 02/17/2012 10:24 AM  
Subject: Re: Taotao USA, Inc. Settlement Report

---

Mr. Cao,

It has been more than a week since your last message, and we still have not received the catalyst report that you promised to send. Before we take additional enforcement steps, we would like to meet with you to discuss payment of penalty described in our Jan. 30, 2012 letter and your commitment to honoring your settlement obligations. Please let me know your availability for a meeting next week.

---

Christopher A. Thompson, Acting Chief  
Mobile Source Enforcement Branch  
Office of Civil Enforcement - Air Enforcement Division  
U.S. Environmental Protection Agency  
Ariel Rios South Building Rm. 1111C  
1200 Pennsylvania Avenue, NW (2242A)  
Washington, DC 20460 [For FedEx/UPS use 20004]  
t (202) 564-3313  
f (202) 564-0069

▼ 曹马涛 ---02/08/2012 01:07:18 AM---Dear officers of EPA: Thanks for your response, thanks for attention of EPA.

From: 曹马涛 <[taotaoreport@gmail.com](mailto:taotaoreport@gmail.com)>  
To: Christopher Thompson/DC/USEPA/US@EPA  
Cc: Jackie Wang <[jackie@taotao.us](mailto:jackie@taotao.us)>, qiong li <[janelee217@gmail.com](mailto:janelee217@gmail.com)>, Jimmy So <[jimmysous@gmail.com](mailto:jimmysous@gmail.com)>, mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>, Peter Liu <[peter@taotao.us](mailto:peter@taotao.us)>, tammy taotao <[tammy@taotao.us](mailto:tammy@taotao.us)>, Amelie Isin/DC/USEPA/US@EPA, Anne Wick/DC/USEPA/US@EPA  
Date: 02/08/2012 01:07 AM  
Subject: Re: Taotao USA, Inc. Settlement Report

---

Dear officers of EPA:

Thanks for your response, thanks for attention of EPA.  
I just want to say some points of TAOTAO USA.

1. We don't have any complain about agreements and penalty of EPA in 2010.
2. The catalyst test report is on the way, we almost take one month holiday since 07 Jan 2012. It is late to submit to you.  
We will give it to you in this week, maybe next monday. I hope you can understand, it is really difficult to do anything in china when the chinese new year holiday coming.

3. TAOTAO USA want to be a real american company, and we want to run this powersports business like american, to follow the all of the law of US, we won't like any chinese factory to skip those step in the US.

4. The cost of TAOTAO atvs are 15% more than other chinese factories, just for following the law of EPA and CPSC.

We got penalty from EPA, and our containers got hold by EPA, so we understand that following the law is really important to do business in US. Our competitors never get penalty from EPA, so they are keeping produce unqualified ATVs.

We hope EPA and CPSC can understand that why american buy chinese ATV, because that is cheap! Our marketing share from 30% drops to 20% in 2 years, because their ATVs can be lower 15%, and 15% cost is unfair for TAOTAO. We submit some informations to your office, but still no one going to check it. Although EPA and CPSC never hurt TAOTAO, but in fact, EPA and CPSC already help our competitors kick TAOTAO out of US market. TAOTAO never worry EPA will check our unit and punish us, we only care EPA can fair to everyone, don't just focus on TAOTAO and forgot other importers.

5. We always believe that we happy to do everything follow US laws. We hope EPA trust that, only few factories want to do right thing by heart. We hope EPA can understand us, and support us. TAOTAO is doing this business 5 years, we won't lose those excellent staffs, we don't want they lost job. But, if some unfair reasons caused our business dropping, we have gradually to close those company, although, that result is not I can accept.

TERRY CAO

TAOTAO USA

在 2012-2-8, 上午6:07, Christopher Thompson 写道 :

Mr. Cao, thank you for your email. I want to respond to your concerns.

1. Taotao entered into a settlement agreement with the U.S. on June 28, 2010. You executed it on behalf of Taotao. On behalf of your company, you agreed to do three things to resolve the violations associated with the Taotao vehicles imported into the U.S. in 2009 and 2010.
2. You agreed to pay a penalty. You paid the penalty in installments and have completed that requirement.
3. You agreed to perform corrective action on the vehicles seized by U.S. Customs. Based on the documents and information you submitted to EPA, we determined that the vehicles seized in Savannah were properly remediated and notified Customs of this.
4. You agreed to implement a compliance plan (attached to the agreement you signed) for 5 years. The plan is to ensure that the vehicles you manufacture and import are in compliance with U.S. law. Among other things, this plan requires that Taotao test the catalysts of vehicles certified with a catalyst before there are imported into the U.S. The plan also requires that Taotao conduct inspections of the vehicles in accordance with the procedures in the plan before and after the vehicles are imported into the U.S., which includes the labels that are required under U.S. law.
5. The settlement agreement requires that Taotao submit an annual report regarding implementation of the compliance plan. That report was due June 28, 2011. To date, we have not received a complete report.
6. We contacted Taotao USA numerous times in the summer and fall of 2011 to get these materials. Eventually, we were provided with incomplete checklists in Chinese. English translations of a few of these checklists were provided in the fall 2011. Complete catalyst test results have not been provided.
7. On January 3, 2012, we wrote to you - using the same email address you use now - to formally notify you of these issues and give you a chance to respond. Mr. Hillman responded on January 11, 2012 and "guaranteed" that the catalyst test results would be provided in 7 days. We still have not received the reports. We did not receive a response to this letter from you.
8. In the settlement agreement Taotao agreed to pay penalties in the event that it did not comply with the terms of the settlement agreement.
9. On January 30, 2012 - 216 days after the information was due to EPA - we wrote to you to notify you of the penalties that you agreed to pay for these violations.

10. We are willing to discuss these violations of the agreement, but only if Taotao provides the information and test results that were due in June 2011.

11. If Taotao does not come into compliance with the settlement agreement, EPA will enforce the agreement in the manner described in paragraph 41 of the agreement. EPA also will notify Customs and request that it inspect - and if necessary seize - Taotao products to ensure compliance with U.S. law.

It is unfortunate that you believe that complying with U.S. law and the settlement agreement you signed will require that you close your distribution facilities next year. That is not our intent. We believe that it is important that companies honor their commitments made in settlement agreements. We believe that it is necessary to ensure compliance with U.S. law to protect the environment.

---

Christopher A. Thompson, Acting Chief  
Mobile Source Enforcement Branch  
Office of Civil Enforcement - Air Enforcement Division  
U.S. Environmental Protection Agency  
Ariel Rios South Building Rm. 1111C  
1200 Pennsylvania Avenue, NW (2242A)  
Washington, DC 20460 [For FedEx/UPS use 20004]  
t (202) 564-3313  
f (202) 564-0069

From: 曹马涛 <[taotaoreport@gmail.com](mailto:taotaoreport@gmail.com)>  
To: Christopher Thompson/DC/USEPA/US@EPA  
Cc: mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>, tammy taotao  
<[tammy@taotao.us](mailto:tammy@taotao.us)>, qiong li <[janelee217@gmail.com](mailto:janelee217@gmail.com)>, Jackie  
Wang <[jackie@taotao.us](mailto:jackie@taotao.us)>, Jimmy So <[jimmysous@gmail.com](mailto:jimmysous@gmail.com)>,  
Peter Liu <[peter@taotao.us](mailto:peter@taotao.us)>  
Date: 02/07/2012 12:42 AM  
Subject: Re: Taotao USA, Inc. Settlement Report

Mr Christopher Thompson:  
We just finish the chinese new year, then we just come back to the office. I am really surprise the email you send to me.

We keep doing the right thing, and follow the EPA rules. We are the first chinese factory accept to pay the penalty to EPA.  
We are really honest talk to EPA about further and learn how to do right thing. Unfortunately, the EPA department don't think about this. After we talk in the Washington DC, we have the really hard time in those year. We follow the EPA then our cost is much more then anther factory, our sales is keeping down. EPA never check anther factory containers, they keep use parts name to instead ATV, we also send a lot of informations to you and your officers. But nobody really care about this. You keep give us penalty of EPA. Maybe EPA think TAOTAO import more than someone, so we can pay more penalty, I think you forgot one thing, our sales is going down lots than before. Unfortunately, TAOTAO USA INC make a difficult decision, We are going to close the Indianapolis and atlanta warehouse this year, close Dallas LA warehouse next year! So that's why I come back to china do anther business. So sorry for all of employees of TAOTAO USA INC. Wish you can have a nice job in the further. It is not our problem, US government want to keep TAOTAO USA out of US, so I have no chose.

Thanks for every one..

TERRY CAO

TAOTAO USA

在 2012-2-6, 下午10:53, Christopher Thompson 写道 :

Please see the attached letter regarding Taotao's compliance with the settlement agreement. Please contact me regarding this letter this week.

---

Christopher A. Thompson, Acting Chief  
Mobile Source Enforcement Branch  
Office of Civil Enforcement - Air Enforcement Division

U.S. Environmental Protection Agency  
Ariel Rios South Building Rm. 1111C  
1200 Pennsylvania Avenue, NW (2242A)  
Washington, DC 20460 [For FedEx/UPS use 20004]  
t (202) 564-3313  
f (202) 564-0069

(See attached file: [Untitled].pdf)<[Untitled].pdf>

From: Christopher Thompson/DC/USEPA/US  
To: [taotaoreport@gmail.com](mailto:taotaoreport@gmail.com),  
Cc: Mike Hillman <[mhillman2008@gmail.com](mailto:mhillman2008@gmail.com)>, Amelie Isin/DC/USEPA/US@EPA  
Date: 02/17/2012 03:03 PM  
Subject: Re: Test reports

---

Mr. Cao,

These test reports do not include any identifying information (such as VIN number and the engine family) of the vehicle from which the catalyst sample came. The reports are incomplete and useless without this information. Please provide this additional information.

▼ Mike Hillman ---02/17/2012 02:12:55 PM---CT....this was in my drafts. For whatever reason it did not go out. I think if you check the origina

From: Mike Hillman <[mhillman2008@gmail.com](mailto:mhillman2008@gmail.com)>  
To: Christopher Thompson/DC/USEPA/US@EPA  
Date: 02/17/2012 02:12 PM  
Subject: Test reports

---

CT....this was in my drafts. For whatever reason it did not go out. I think if you check the original message you can see I tried to send on the 13th. I was using Iphone (I was on my way to Indy) so I missed it entirely that it did not send.

Thx,

MH

Chris,

Please see attachments

Thank you,

--  
Mike Hillman  
Dallas, Tx

*(See attached file: CW1110016H000.pdf)*

*(See attached file: CW1210047H000 \_\_.pdf)*

From: Christopher Thompson/DC/USEPA/US  
To: mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>, [taotaoreport@gmail.com](mailto:taotaoreport@gmail.com).  
Cc: Amelie Isin/DC/USEPA/US@EPA  
Date: 02/23/2012 01:18 PM  
Subject: Re: Follow up from Taotao

---

Feedback:

1. You provided only two reports. At a minimum, I expected to see the test reports requested in our Jan. 3, 2012 letter to Taotao - for engine families ATAOX0.12A1T, ATAOX.230AAB, and ATAOX.250AAB. The test reports you provided are for engine families BTAOX0.12A1T and CTAOX0.12A1T.
2. In addition, there should be at least one catalyst test report for every 2010 and 2011 vehicle model that Taotao certified (more than 16) (see para. 12 of the compliance plan).
3. Lastly, all of these reports are now 240 days late, having been due on June 28, 2011.

The issue is this: these requirements are clear. Taotao did not request any revisions to them when the settlement agreement was negotiated. Taotao provided TWO test reports. The only logical conclusion is that Taotao is not testing catalysts. If you are, why have you not provided all of the reports to us? It's been over 240 days! Terry says he wants to comply with the law. We just don't believe it. We're sure that if we did a complete audit of ALL of the requirements of the compliance plan, we'd find similar gross noncompliance. If you have questions about what the plan requires, contact us.

Before we take additional enforcement steps, we would like to meet with Taotao to discuss payment of penalty described in our Jan. 30, 2012 letter and your commitment to honoring your settlement obligations. Please let me know your availability for a meeting next week.

---

Christopher A. Thompson, Acting Chief  
Mobile Source Enforcement Branch  
Office of Civil Enforcement - Air Enforcement Division  
U.S. Environmental Protection Agency  
Ariel Rios South Building Rm. 1111C  
1200 Pennsylvania Avenue, NW (2242A)  
Washington, DC 20460 [For FedEx/UPS use 20004]  
t (202) 564-3313  
f (202) 564-0069

▼ mike taotao ---02/23/2012 12:57:45 PM---Chris, Terry asked me to follow up with you on the materials sent in. Do we have

From: mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>  
To: Christopher Thompson/DC/USEPA/US@EPA  
Date: 02/23/2012 12:57 PM  
Subject: Follow up from Taotao

---

Chris,

Terry asked me to follow up with you on the materials sent in. Do we have any feedback available?

Thank you,  
Mike Hillman  
Taotao USA Inc.  
Phone: 214-415-8532  
Fax: 214-239-8168  
[mikeh@taotao.us](mailto:mikeh@taotao.us)  
[www.taotao.us](http://www.taotao.us)

Please consider the environment before printing this e-mail.

From: 曹 马涛 <[taotaoreport@gmail.com](mailto:taotaoreport@gmail.com)>  
To: Christopher Thompson/DC/USEPA/US@EPA  
Cc: Jackie Wang <[jackie@taotao.us](mailto:jackie@taotao.us)>, mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>  
Date: 02/24/2012 11:23 AM  
Subject: REPORT FROM TAOTAO

---

HI Christopher Thompson:

I think you mad on me. I am sending the all of the test report to you now. We sent out two report to you, I just want you to confirm that is you want, you ask about the VIN NUMBER, so I have to ask Lab add the information in it. We don't have any lab can test the catalysis in China except catalysis factory. So we have to ask the catalysis factory find out the records in their old computer. So we give to you all the report together is too later.

Only one thing, I have to explain to you, Jinyun County Xiangyuan Industry Co.,Ltd is L5N VIN holder, but Jinyun County Xiangyuan Industry Co.,Ltd is under the CHINA TAOTAO GROUP, So all of the report the lab put CHINA TAOTAO GROUP in the report, because factory is doing everything in CHINA use CHINA TAOTAO GROUP like title.

If EPA want to ask TAOTAO to pay penalty, TAOTAO have no choice, we are feeling down of this. I stay in china now, I back to USA twice a year. I have anther business in China. So I will ask someone to follow with you. I always think TAOTAO always follow the LAW, but you don't think so. After we met in 2010, I thought you are our friend, I never think EPA give us spacial penalty. I am feeling really bad this time. Maybe I didn't stay in USA, so the people doesn't follow very well. Maybe TAOTAO still the target of EPA. Anyway, we have no choose. I know it is unfair for TAOTAO compete with our competitor. TAOTAO is feeling really tired about those. I wish we will finish this case ASAP. We quit. We are planing to sell the power tools, no GAS anymore. Anyway, you and EPA team already help us a lot, since we changed the screw of carburetor, and you help us to conditional release our container. Thank you very much. We will slowly clean the inventory, If EPA have any problem of TAOTAO, I still will take care of those, although TAOTAO is closed in future.

*(See attached file: 检验证明3550 10.9.15.pdf)(See attached file: 检验证明3550 10.11.27.pdf)(See attached file: 检验证明3560 10.10.20.pdf)(See attached file: 检验证明35100 10.7.24.pdf)(See attached file: 检验证明35100 10.8.5.pdf)(See attached file: 检验证明35100 10.8.17.pdf)(See attached file: CW1108018H000 英泰35X100.pdf)(See attached file: CW1110020H0000 35X50.pdf)(See attached file: CW1110050H000 英泰35X100.pdf)(See attached file: CW1111014H000 英泰35X60.pdf)(See attached file: CW1110016H0000.pdf)(See attached file: CW1112005H000 英泰35X100.pdf)*



## REPORT FROM TAOTAO

Christopher Thompson to: taotaoreport, mikeh

03/06/2012 09:00 AM

Cc: Amelie Isin

We reviewed the latest batch of Taotao test reports. Finally, we have reports that address our Jan. 3, 2012 request, for engine families ATAOX0.12A1T, ATAOX.230AAB, and ATAOX.250AAB. However, each of the inspection checklists that Taotao submitted for these engine families states that the catalysts have 70 g/l active material loading, which doesn't match the catalyst test reports provided on Feb. 24, 2012 that show roughly 1.7 g/l of active material loading (corresponding to the specifications in the certificate application).

We are also still missing catalyst test reports for the following Taotao engine families: ATAOX.250AAA, ATAOC.049MC1, ATAOC.150MC1, BTAOC.049MC1, BTAOC.150MC1, BTAOX.230AAB, BTAOX.250AAB, BTAOX0.15G2T, CTAOC.049MC1, and CTAOC.150MC1. Again, a catalyst from each Vehicle or Engine Model (if equipped with a catalyst) must be tested before importation.

At this point, I think it would be best to discuss our concerns face-to-face. Please let me know your availability for a meeting to discuss these issues and payment of the penalty for non-compliance with the plan.

---

Christopher A. Thompson, Acting Chief  
Mobile Source Enforcement Branch  
Office of Civil Enforcement - Air Enforcement Division  
U.S. Environmental Protection Agency  
Ariel Rios South Building Rm. 1111C  
1200 Pennsylvania Avenue, NW (2242A)  
Washington, DC 20460 [For FedEx/UPS use 20004]  
t (202) 564-3313  
f (202) 564-0069

From: Amelie Isin/DC/USEPA/US  
To: mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>,  
Cc: Christopher Thompson/DC/USEPA/US  
Date: 03/07/2012 03:58 PM  
Subject: Re: Fw: Taotao

---

Thanks, Mike. See you then!

Amelie Isin, P.E.  
USEPA Office of Enforcement and Compliance Assurance  
Air Enforcement Division, Mobile Source Enforcement Branch  
202-564-0842

CONFIDENTIALITY NOTICE: This transmission is intended to be delivered only to the named addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named addressee(s), please notify the sender immediately, by reply e-mail to [isin.amelie@epa.gov](mailto:isin.amelie@epa.gov) and/or by telephone (202) 564-0842, to obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by anyone other than the named addressee(s), except with the express written consent of the sender or the named addressee(s). Thank you.

▼ mike taotao ---03/07/2012 03:57:18 PM---Amelie, I should have cc'd you. I apologize for that...not intentional. I will be

From: mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>  
To: Amelie Isin/DC/USEPA/US@EPA  
Date: 03/07/2012 03:57 PM  
Subject: Re: Fw: Taotao

---

Amelie,

I should have cc'd you. I apologize for that...not intentional. I will be there with Jackie Wang. I will get written auth from Terry (Matao Cao) that authorizes us to discuss all issues. We will also make arrangements for Terry to be on the phone during our meeting.

See you 3/26 @2:30 pm

Sincerely,

Mike Hillman

On Wed, Mar 7, 2012 at 2:52 PM, Amelie Isin <[Isin.Amelie@epamail.epa.gov](mailto:Isin.Amelie@epamail.epa.gov)> wrote:  
Mike,

We would be glad to meet with you and Jackie Wang. Could Terry Cao join us by phone? (We assume that he is in China.)

We need to meet with someone who is authorized by Taotao to discuss penalty in addition to the compliance issues we have identified. Please let us know who that is.

We are available to meet in the afternoon of Monday, March 26, 2012, from 2:30pm-3:30pm, if that works for Taotao.

Please copy me on future correspondence with Chris, so that we can coordinate better.

Sincerely,

Amelie Isin, P.E.  
USEPA Office of Enforcement and Compliance Assurance  
Air Enforcement Division, Mobile Source Enforcement Branch  
[202-564-0842](tel:202-564-0842)

CONFIDENTIALITY NOTICE: This transmission is intended to be delivered only to the named addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named addressee(s), please notify the sender immediately, by reply e-mail to [isin.amelie@epa.gov](mailto:isin.amelie@epa.gov) and/or by telephone [\(202\) 564-0842](tel:202-564-0842), to obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by anyone other than the named addressee(s), except with the express written consent of the sender or the named addressee(s). Thank you.

From: Christopher Thompson/DC/USEPA/US  
To: Amelie Isin/DC/USEPA/US@EPA  
Date: 03/07/2012 03:23 PM  
Subject: Fw: Taotao

----- Forwarded by Christopher Thompson/DC/USEPA/US on 03/07/2012 03:23 PM -----

From: mike taotao <[mikeh@taotao.us](mailto:mikeh@taotao.us)>

To: Christopher Thompson/DC/USEPA/US@EPA  
Date: 03/07/2012 11:44 AM  
Subject: Taotao

Chris,

Would it be possible for me to come to DC with Jackie Wang, factory representative?

Thank you,  
Mike Hillman  
Taotao USA Inc.  
Phone: [214-415-8532](tel:214-415-8532)  
Fax: [214-239-8168](tel:214-239-8168)  
[mikeh@taotao.us](mailto:mikeh@taotao.us)  
[www.taotao.us](http://www.taotao.us)

Please consider the environment before printing this e-mail.

--

Mike Hillman  
Taotao USA Inc.  
Phone: 214-415-8532  
Fax: 214-239-8168  
[mikeh@taotao.us](mailto:mikeh@taotao.us)  
[www.taotao.us](http://www.taotao.us)

Please consider the environment before printing this e-mail.



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

APR 17 2012

OFFICE OF  
ENFORCEMENT AND  
COMPLIANCE ASSURANCE

VIA U.S. Mail and Electronic Mail  
Return Receipt Requested

Mr. Matao Cao, President  
Taotao USA, Inc.  
Suite 100  
2425 Camp Avenue  
Carrollton, Texas 75006

Re: *In the matter of Taotao USA, Inc.*  
AED/MSEB No. 7872

Dear Mr. Cao,

This letter is regarding violations of the Administrative Settlement Agreement (ASA) in the above-referenced matter. The stipulated penalties discussed below arise from several types of violations of the ASA, described below as well as in my January 30, 2012 letter to Taotao USA.

First, Taotao failed to comply with the reporting requirements of Paragraph 22(b) of the Vehicle and Engine Compliance Plan (VECP) (Attachment C) of the ASA by failing to provide copies of catalyst test reports showing active material loading for at least ten engine families. Second, Taotao affixed labels to 343 recreational vehicles that displayed incorrect engine family names, violating Paragraphs 10(b) and 13 of Attachment C of the ASA.

Under the Consent Decree, the EPA contends that the total stipulated penalty for these violations is \$393,000. In an effort to avoid further litigation on these matters, however, the United States is willing to compromise its claims for these stipulated penalties. Specifically, in consideration of Taotao's assurances to improve its compliance with the VECP, the United States is willing to compromise its claims for these stipulated penalties if Taotao:

1. Submits payment of \$160,000 to the United States in the manner set forth below;
2. Retains a Professional Engineer licensed in the United States, fluent in speaking, reading and writing in both Chinese and English, to oversee implementation of the VECP and prepare and submit the annual report required by the VECP.

If the United States receives payment of this amount in the manner set forth below and condition two above is satisfied, the United States will make no further stipulated penalty demand regarding the violations described in EPA's January 30, 2012 letter to Taotao USA.

Taotao must remit payment in the manner set forth in Paragraph 22 of the ASA. The penalty must be paid as follows:

- \$28,000 on or before June 1, 2012;
- \$20,000 on or before August 1, 2012;
- \$20,000 on or before October 1, 2012;
- \$20,000 on or before December 1, 2012;
- \$20,000 on or before February 1, 2013;
- \$20,000 on or before April 1, 2013;
- \$20,000 on or before June 1, 2013; and
- \$12,000 on or before August 1, 2013.

At any point after the effective date of this letter but prior to August 1, 2013, Taotao may accelerate payment of the entire penalty without any additional fees or charges. Notwithstanding accelerated payment, the full \$160,000 must be paid in its entirety by August 1, 2013.

The EPA reserves all rights under the ASA. Nothing in this letter limits the EPA's right to proceed against Taotao in the event of further default or noncompliance with the ASA, the Subject Vehicle Corrective Action Plan, or the VECP, for violations of §§ 203 or 213 of the Act, 42 U.S.C. §§ 7522 or 7547, 40 C.F.R. Part 1068, for other violations of law, or with respect to other matters not within the scope of this letter.

If you have questions about this letter, please contact Christopher Thompson at [thompson.christopher@epa.gov](mailto:thompson.christopher@epa.gov).

Sincerely,



*sol* Phillip A. Brooks, Director  
Air Enforcement Division

cc: Christopher A. Thompson, U.S. EPA  
Amelie Isin, U.S. EPA  
Jackie Wang, Taotao USA, Inc.

 **Document Review**

**Compass Document: NN 27Q1040K383**

10/28/15

**Document Summary:** [General Ledger Entries](#)

**Document:** NN 27Q1040K383

**SFO:** CFC

**Original Document Date:** 06/28/10

**Accounts Receivable Date:** 06/28/2010

**Amount:** \$420,000.00

**Collected:** \$420,000.00

**Closed:** 08/02/13

**Due From:** TAOTAO USA INC

PRESIDENT

11550 NEWBERRY ST #100,

DALLAS, TX 75229-7307

**Due Date:** 08/01/13

**Title:** HQ-AEDMSEB-2010-7872

**Comments:** CONVERSION

**Extended Description:**

**Overdue:** 10/16/11 13 - NON-DELINQ. DUE < 1 YEAR

**Interest:** \$0.00

**Handling:** \$0.00

**Penalty:** \$0.00

**Writeoff:** \$0.00

**Document Details:**

| Line | Charge Line | Charge Type | Line Amt     | Collected    | Writeoff | Closed       | Int Rate | Reporting Category | BFY  | Fund | RPIO | Org    | Prog | Proj | FOC | Description         |
|------|-------------|-------------|--------------|--------------|----------|--------------|----------|--------------------|------|------|------|--------|------|------|-----|---------------------|
| 1    |             |             | \$260,000.00 | \$260,000.00 | \$0.00   | \$260,000.00 | 0.000    | 40 - FOSD          | 2010 | 1099 | 00   | AGENCY |      |      |     | CONVERSION          |
| 2    |             |             | \$160,000.00 | \$160,000.00 | \$0.00   | \$160,000.00 | 0.000    | 40 - FOSD          | 2012 | 1099 | 00   | AGENCY |      |      |     | STIP PENALTY DEMAND |

[Document Activity:](#)

[Warehouse Homepage](#)

[EPA@Work Home](#) | [EPA Internet](#)

[https://V1742TRTAY006.RTP.EPA.GOV/neis/ifms\\_doc.resolve](https://V1742TRTAY006.RTP.EPA.GOV/neis/ifms_doc.resolve)

This web page was last updated on 01/28/2015.

For issues, please contact: The OCFO System Help Desk - [OCFO-System-Help@epa.gov](mailto:OCFO-System-Help@epa.gov) or (202) 564-OCFO (6236)

From: Jackie Wang <[jackie@taotao.us](mailto:jackie@taotao.us)>  
To: Christopher Thompson/R8/USEPA/US@EPA, Amelie Isin/DC/USEPA/US@EPA, "margaret (Harrison Wolf)" <[margaret@harrisonwolf.com](mailto:margaret@harrisonwolf.com)>, matao cao <[taotaoreport@gmail.com](mailto:taotaoreport@gmail.com)>,  
Date: 12/07/2012 05:37 PM  
Subject: Thank you for everything

---

Hi Chris and Amelie,

Thank you for your reply. Without your recommendation of Harrison Wolf, we will definitely miss the opportunity to work with them. They are very professional and helpful. Margaret even read the whole product manual of ours. It makes me rethink my work. There is more we need to do for our EPA compliance.

As you may notice, we made some progresses in our EPA compliance this year. And of course, some mistakes too. Like the post-importation checklist part. It says we have to do the post-importation compliance verification program "within 90 days after the first delivery or shipment of a new Vehicle or Engine Model to the United States". The models we have imported are from old Engine Family, so we didn't do checklist for those models. But our parts manager David does constantly check our containers when we receive them.

We don't want submit some report that we actually didn't do, even if we may will get a penalty for didn't do the job.

If EPA agrees, we would like to complete the post-importation checklist on models currently available in our warehouse. We will submit these checklists by December 21<sup>st</sup>, as part of the annual report. We understand that we need to inspect models on a regular schedule. We can provide our plan for regular inspections in the annual report.

Thank you and have a wonderful weekend.

**Jackie Wang**  
**TAOTAO USA INC. (L.A. Branch)**  
**Add: 14275 Telephone Ave, Unit A, Chino, CA 91710**  
**Site: [www.taotao.us](http://www.taotao.us)**  
**Office: 909-614-1661**  
**Fax: 909-614-1501**

**Cell: 909-859-4193 (24/7 available for our dealers)**

From: Amelie Isin/DC/USEPA/US  
To: "Margaret" <[margaret@harrisonwolf.com](mailto:margaret@harrisonwolf.com)>,  
Cc: "Jackie Wang" <[jackie@taotao.us](mailto:jackie@taotao.us)>, "Ryan Tovatt" <[ryan@harrisonwolf.com](mailto:ryan@harrisonwolf.com)>, Christopher Thompson/R8/USEPA/US@EPA  
Date: 12/06/2012 08:38 AM  
Subject: RE: TaoTao USA Catalyst Test Report & Status of Annual Progress Report

---

Hi Margaret,

Thanks for the catalyst test report and your call. We will grant one final extension for the remainder of the Annual Progress Report (including checklists) until December 21, 2012. After that, however, stipulated penalties for failure to submit the report, as described under paragraph 29(b) of the ASA will start to accrue.

Please let me know if you have any further questions.

Amelie

Amelie Isin, P.E.  
USEPA Office of Enforcement and Compliance Assurance  
Air Enforcement Division, Mobile Source Enforcement Branch  
202-564-0842

CONFIDENTIALITY NOTICE: This transmission is intended to be delivered only to the named addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named addressee(s), please notify the sender immediately, by reply e-mail to [isin.amelie@epa.gov](mailto:isin.amelie@epa.gov) and/or by telephone (202) 564-0842, to obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by anyone other than the named addressee(s), except with the express written consent of the sender or the named addressee(s). Thank you.

▼ "Margaret" ---12/05/2012 02:19:27 PM---Hi Amelie,

From: "Margaret" <[margaret@harrisonwolf.com](mailto:margaret@harrisonwolf.com)>  
To: Amelie Isin/DC/USEPA/US@EPA  
Cc: "Jackie Wang" <[jackie@taotao.us](mailto:jackie@taotao.us)>, "Ryan Tovatt" <[ryan@harrisonwolf.com](mailto:ryan@harrisonwolf.com)>  
Date: 12/05/2012 02:19 PM  
Subject: RE: TaoTao USA Catalyst Test Report & Status of Annual Progress Report

---

Hi Amelie,

I wanted to follow up with you on the status of Taotao's annual report. Can you please give me call at 714-436-0131? I would like to have a brief conversation. Thank you.

Best regards,  
Margaret

**From:** Margaret [<mailto:margaret@harrisonwolf.com>]  
**Sent:** Friday, November 30, 2012 4:56 PM  
**To:** 'Isin.Amelie@epamail.epa.gov'  
**Cc:** 'Jackie Wang'; 'Ryan Tovatt'  
**Subject:** TaoTao USA Catalyst Test Report & Status of Annual Progress Report

Dear Amelie,

Catalyst testing and analysis for the first three engine families has been finished. The report is attached, and includes a comparison to the catalyst specifications stated in applications for certification, as well as a declaration of review by Robin Harrison, P.E.

Taotao USA's annual report is due tomorrow, Saturday, December 1<sup>st</sup>. However, the remaining sections of the report are still in process. The pre-importation vehicle compliance checklists have been sent to us, and we will review them early next week. Taotao would like to request an extension of the due date, as follows:

- Due Friday, December 7, 2012 - Pre-importation Vehicle Compliance Checklists
- Due Friday, December 21, 2012 – Remaining reporting requirements

Please do not hesitate to contact Jackie Wang or myself if you need any additional information. Thank you for your consideration.

Best regards,

Margaret Goldstein  
Harrison Wolf Consulting, Inc.  
17395 Mt. Herrmann St., Suite B  
Fountain Valley, CA 92708  
Tel: (714) 436-0131  
Fax: (714) 436-0141  
[margaret@harrisonwolf.com](mailto:margaret@harrisonwolf.com)

This message (including any attachments) contains information that may be confidential. Unless you are the intended recipient (or authorized to receive for the intended recipient), you may not read, print, retain, use, copy, distribute or disclose to anyone the message or any information contained in the message. If you have received this message in error, please advise the sender by reply e-mail, and destroy all copies of the original message (including any attachments).



Hi Amelie, here is the EPA required import data

Jackie Wang

to:

Amelie Isin, margaret (Harrison Wolf)

10/15/2012 05:27 PM

Hide Details

From: Jackie Wang <jackie@taotao.us>

To: Amelie Isin/DC/USEPA/US@EPA, "margaret (Harrison Wolf)"  
<margaret@harrisonwolf.com>,

Security:

To ensure privacy, images from remote sites were prevented from downloading. Show  
Images

History: This message has been replied to.

1 Attachment



Taotao USA Total Vehicles Imported 6-11 to 6-12 (AED-MSEB 7872).pdf

Hi Amelie,

here is the EPA required import data of our company.

Margaret of Harrison Wolf has been helping us on this and the other part of the  
whole project.

Please let me know if you have any question.

Thank you.

**Jackie Wang**

**TAOTAO USA INC. (L.A. Branch)**

**Add: 14275 Telephone Ave, Unit A, Chino, CA 91710**

**Site: [www.taotao.us](http://www.taotao.us)**

**Office: [909-614-1661](tel:909-614-1661)**

**Fax: [909-614-1501](tel:909-614-1501)**

**Cell: 909-859-4193 (24/7 available for our dealers)**



RE: Taotao USA, Inc. - Settlement Agreement / VECP

Margaret

to:

Amelie Isin

09/14/2012 07:22 PM

Cc:

Christopher Thompson, "Jackie Wang", "Ryan Tovatt"

Hide Details

From: "Margaret" <margaret@harrisonwolf.com>

To: Amelie Isin/DC/USEPA/US@EPA,

Cc: Christopher Thompson/DC/USEPA/US@EPA, "Jackie Wang" <jackie@taotao.us>, "Ryan Tovatt" <ryan@harrisonwolf.com>

1 Attachment



image001.gif

Hi Amelie,

We'll meet with Jackie and develop a plan to get the requested portion of the report to you by October 15<sup>th</sup>, and the complete report in by December 1<sup>st</sup>. Thank you.

Best Regards,  
Margaret

---

**From:** Amelie Isin [<mailto:Isin.Amelie@epamail.epa.gov>]  
**Sent:** Friday, September 14, 2012 11:16 AM  
**To:** margaret (Harrison Wolf)  
**Cc:** Christopher Thompson; 'Jackie Wang'; 'Ryan Tovatt'  
**Subject:** RE: Taotao USA, Inc. - Settlement Agreement / VECP

Margaret,

Sorry for the delay in my reply. EPA will allow an extension of the annual report deadline for Taotao to Dec. 1, 2012, but we would like you to work with Taotao to at least submit the portion of the annual report described under Attachment C. V. 22a before Oct. 15.

Thanks,  
Amelie

Amelie Isin, P.E.  
 USEPA Office of Enforcement and Compliance Assurance  
 Air Enforcement Division, Mobile Source Enforcement Branch  
 202-564-0842

CONFIDENTIALITY NOTICE: This transmission is intended to be delivered only to the named addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named addressee(s), please notify the sender immediately, by reply e-mail to [isin.amelie@epa.gov](mailto:isin.amelie@epa.gov) and/or by telephone (202) 564-0842, to obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by anyone other than the named addressee(s), except with the express written consent of the sender or the named

CX076

EPA-000896

addressee(s). Thank you.

▼ "margaret \ (Harrison Wolf)" ---08/31/2012 02:51:29 PM---Hi Amelie,

From: "margaret \ (Harrison Wolf)" <[margaret@harrisonwolf.com](mailto:margaret@harrisonwolf.com)>  
 To: Amelie Isin/DC/USEPA/US/EPA  
 Cc: "Jackie Wang" <[jackie@taotao.us](mailto:jackie@taotao.us)>, "Ryan Tovatt" <[ryan@harrisonwolf.com](mailto:ryan@harrisonwolf.com)>, Christopher Thompson/DC/USEPA/US/EPA  
 Date: 08/31/2012 02:51 PM  
 Subject: RE: Taotao USA, Inc. - Settlement Agreement / VECP

---

Hi Amelie,

We have received an estimate from SGS in Canada for the testing time frame. They currently have a backlog and said that the testing and reporting will take approximately 6 weeks from the date the catalysts are delivered. Allowing several additional weeks for selection, preparation, and shipment of the catalyst samples, plus time for analysis of the final reports by our professional engineer, we believe an extension of approximately 90 days will be required. During this time period we can assist Taotao with the preparation of the other components of the annual report, so that they can deliver the complete report by the end of the 90 day extension. Please let us know if an extension of the deadline to December 1, 2012 will be acceptable.

I have attached the following documents from SGS regarding the catalyst testing plan (these descriptions are from the project coordinator at SGS):

- mini method for analysing the % level of Pd, Pt and Rh. It is 13peroxideAAS.pdf.
- The cylinder converter pdf is how I do the sampling. (This does not include tearing the rest apart after weighing what I drill out.)

The project coordinator also said that EPA has given them a formula to use for calculating the loading.

Please let us know if you need any additional information. Thank you.

Best regards,  
 Margaret

---

**From:** Amelie Isin [<mailto:Isin.Amelie@epamail.epa.gov>]  
**Sent:** Thursday, August 23, 2012 10:57 AM  
**To:** margaret (Harrison Wolf)  
**Cc:** 'Jackie Wang'; 'Ryan Tovatt'; Christopher Thompson  
**Subject:** Re: Taotao USA, Inc. - Settlement Agreement / VECP

Margaret,

Thank you for your message. Everything looks fine except that, as outlined in our 4/17/2012 letter to Taotao, EPA would like a Professional Engineer licensed in the United States (not Taotao) to prepare and submit the annual report required by the VECP. This would include checking the report to make sure that it contains all the information required under Attachment C. V. 22. Let me know if you have any questions about this.

Also, we will consider an extension to the Sept. 1 deadline, but in order to do that, we need to know when we can expect to receive the report.

I will be out of the office starting tomorrow, but will be checking e-mail periodically.

Thanks,  
 Amelie

CX076

EPA-000897

Amelie Isin, P.E.  
 USEPA Office of Enforcement and Compliance Assurance  
 Air Enforcement Division, Mobile Source Enforcement Branch  
 202-564-0842

CONFIDENTIALITY NOTICE: This transmission is intended to be delivered only to the named addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named addressee(s), please notify the sender immediately, by reply e-mail to [isin.amelie@epa.gov](mailto:isin.amelie@epa.gov) and/or by telephone (202) 564-0842, to obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by anyone other than the named addressee(s), except with the express written consent of the sender or the named addressee(s). Thank you.

▼ "margaret \ (Harrison Wolf)" ---08/22/2012 05:14:03 PM---Dear Amelie,

From: "margaret \ (Harrison Wolf)" <[margaret@harrisonwolf.com](mailto:margaret@harrisonwolf.com)>  
 To: Amelie Isin/DC/USEPA/US@EPA  
 Cc: "Jackie Wang" <[jackie@taotao.us](mailto:jackie@taotao.us)>, "Ryan Tovatt" <[ryan@harrisonwolf.com](mailto:ryan@harrisonwolf.com)>  
 Date: 08/22/2012 05:14 PM  
 Subject: Taotao USA, Inc. - Settlement Agreement / VECP

---

Dear Amelie,

We are still waiting for a firm time estimate from the catalyst testing lab in Canada. Taotao's September 1<sup>st</sup> deadline is fast approaching, and they will not have the annual report and catalyst testing completed by that date. Outlined below is a proposal for completion of the requirements in Taotao's Vehicle and Engine Compliance Plan. When we receive the estimated time frame from the test lab, we will be able to project the time needed to complete the first phase of the VECP. In the meantime, can you please review the assignment of responsibilities below and let us know if the plan is acceptable?

Responsibilities of Harrison Wolf Consulting:

Catalyst Testing:

- Coordinate catalyst testing (per Attachment C. II. 12. dated April 17, 2012). The first group of catalyst samples will be taken from engine families CTAOX0.12A1T, CTAOX.230AAB, and CTAOC.049MC1.
  - Identify the test lab and submit a copy of their catalyst test plan to you, in advance of the testing
  - Complete an inspection checklist and compliance determination guidelines for the vehicles from which catalyst samples are taken.
  - Arrange for review of catalyst test reports by a professional engineer, licensed in the United States
  - Provide catalyst test reports and test plan to Taotao for inclusion in annual report
- Annual Report:
- Review and edit grammar and spelling in Taotao's annual report (report to be prepared by Taotao)

Responsibilities of Taotao USA, Inc.:

- Complete all remaining requirements specified in the VECP, and prepare annual report

Please let us know if this plan meets with your approval. Should Jackie Wang contact you directly to request an extension of the report due date?

Thank you.

Best regards,

CX076

EPA-000898

Margaret Goldstein  
Harrison Wolf Consulting  
17395 Mt. Herrmann St., Suite B  
Fountain Valley, CA 92708  
Phone: 714/436-0131  
E-mail: [margaret@harrisonwolf.com](mailto:margaret@harrisonwolf.com)

CONFIDENTIALITY NOTICE

This message (including any attachments) contains information that may be confidential. Unless you are the intended recipient (or authorized to receive for the intended recipient), you may not read, print, retain, use, copy, distribute or disclose to anyone the message or any information contained in the message. If you have received this message in error, please advise the sender by reply e-mail, and destroy all copies of the original message (including any attachments).

*(See attached file: 13peroxideAAS.pdf)(See attached file: Cylinder Converter.pdf)*



Taotao Catalyst Test Plan  
margaret \ (Harrison Wolf)

to:

Amelie Isin

08/17/2012 02:23 PM

Cc:

"Jackie Wang", "Ryan Tovatt"

Hide Details

From: "margaret \ (Harrison Wolf)" <margaret@harrisonwolf.com>

To: Amelie Isin/DC/USEPA/US@EPA,

Cc: "Jackie Wang" <jackie@taotao.us>, "Ryan Tovatt" <ryan@harrisonwolf.com>

Security:

To ensure privacy, images from remote sites were prevented from downloading. Show Images

#### 1 Attachment



image001.gif

Amelie,

We talked with several labs regarding catalyst testing and have determined that SGS in Canada is best able to provide the three requested analyses. We've been in communication with SGS, but have not yet been able to get a firm estimate of the time required to test the first three catalysts. It seems that all of the key people are out of town this week! They did provide a ballpark estimate of 30 days per catalyst originally, so I know that Taotao will not be able to meet the September 1<sup>st</sup> reporting deadline. We should be able to get a better idea of the timeline early next week and finalize a plan for your review.

Kind regards,  
Margaret

---

**From:** Jackie Wang [<mailto:jackie@taotao.us>]  
**Sent:** Monday, August 13, 2012 1:40 PM  
**To:** Amelie Isin  
**Cc:** Christopher Thompson; margaret (Harrison Wolf); matao cao  
**Subject:** Re: Hi Amelie

Hi Amelie,

Thank you for your reply.

Margaret from Harrison is contacting with the catalyst testing company right now. The manager from the catalyst lab will be able to get back to Margaret this week. As soon as Margaret hears from him, she will finish up a proposal for you.

I am also copying Margaret in this email.

Thank you.

**Jackie Wang**

**TAOTAO USA INC. (L.A. Branch)**

**Add: 14275 Telephone Ave, Unit A, Chino, CA 91710**

**Site: [www.taotao.us](http://www.taotao.us)**

**Office: 909-614-1661**

**Fax: 909-614-1501**

**Cell: 909-859-4193 (24/7 available for our dealers)**

On Thu, Aug 9, 2012 at 7:59 AM, Amelie Isin <[Isin.Amelie@epamail.epa.gov](mailto:Isin.Amelie@epamail.epa.gov)> wrote:

Jackie,

Please proceed to make arrangements to test the catalyst samples from engine families CTAOX0.12A1T, CTAOX.230AAB, and CTAOC.049MC1 if you have them in inventory.

In advance of the testing, please let me know which test lab you plan to use and submit to me a copy of their catalyst test plan. Please also have Harrison-Wolf complete an inspection checklist and compliance determination guidelines for the vehicles from which you take the catalyst samples.

Be sure to let us know before Sept. 1 if you will not be able to meet the reporting deadline, and let me know if you have any further questions.

Thanks,  
Amelie

Amelie Isin, P.E.  
USEPA Office of Enforcement and Compliance Assurance  
Air Enforcement Division, Mobile Source Enforcement Branch  
[202-564-0842](tel:202-564-0842)

CONFIDENTIALITY NOTICE: This transmission is intended to be delivered only to the named addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named addressee(s), please notify the sender immediately, by reply e-mail to

CX076

EPA-000901

[isin.amelie@epa.gov](mailto:isin.amelie@epa.gov) and/or by telephone [\(202\) 564-0842](tel:(202)564-0842), to obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by anyone other than the named addressee(s), except with the express written consent of the sender or the named addressee(s). Thank you.

▼ Jackie Wang ---08/08/2012 06:24:18 PM---Hi Amelie, Here are the details of which models belong to which EPA certificate.

From: Jackie Wang <[jackie@taotao.us](mailto:jackie@taotao.us)>  
To: Amelie Isin/DC/USEPA/US@EPA  
Cc: Christopher Thompson/DC/USEPA/US@EPA, "margaret (Harrison Wolf)" <[margaret@harrisonwolf.com](mailto:margaret@harrisonwolf.com)>, matao cao <[taotaoreport@gmail.com](mailto:taotaoreport@gmail.com)>  
Date: 08/08/2012 06:24 PM

Subject: Re: Hi Amelie

---

Hi Amelie,

Here are the details of which models belong to which EPA certificate.

Engine Family Name: CTAOXo.12A1T

ATA125-A

ATA125-D

ATA125-H

ATA125-G

Engine Family Name: CTAOX.230AAB

ATA250-C

Engine Family Name: CTAOC.049MC1

CY50-B

CY50-T3

Thank you.

**Jackie Wang**

**TAOTAO USA INC. (L.A. Branch)**

**Add: 14275 Telephone Ave, Unit A, Chino, CA 91710**

**Site: [www.taotao.us](http://www.taotao.us)**

**Office: [909-614-1661](tel:909-614-1661)**

**Fax: [909-614-1501](tel:909-614-1501)**

**Cell: 909-859-4193 (24/7 available for our dealers)**

On Tue, Aug 7, 2012 at 2:23 PM, Amelie Isin <[Isin.Amelie@epamail.epa.gov](mailto:Isin.Amelie@epamail.epa.gov)> wrote:

Hi Jackie,

Please let me know which models belong to which model years, or provide the engine families.

Thanks,  
Amelie

Amelie Isin, P.E.  
USEPA Office of Enforcement and Compliance Assurance  
Air Enforcement Division, Mobile Source Enforcement Branch  
[202-564-0842](tel:202-564-0842)

CONFIDENTIALITY NOTICE: This transmission is intended to be delivered only to the named addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named addressee(s), please notify the sender immediately, by reply e-mail to [isin.amelie@epa.gov](mailto:isin.amelie@epa.gov) and/or by telephone [\(202\) 564-0842](tel:202-564-0842), to obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by anyone other than the named addressee(s), except with the express written consent of the sender or the named addressee(s). Thank you.

▼ Jackie Wang ---08/07/2012 04:39:03 PM---Some of them are 2011 and some are 2012. Thank you.

From: Jackie Wang <[jackie@taotao.us](mailto:jackie@taotao.us)>  
To: Amelie Isin/DC/USEPA/US@EPA  
Cc: Christopher Thompson/DC/USEPA/US@EPA, "margaret (Harrison Wolf)" <[margaret@harrisonwolf.com](mailto:margaret@harrisonwolf.com)>, matao cao <[taotaoreport@gmail.com](mailto:taotaoreport@gmail.com)>  
Date: 08/07/2012 04:39 PM

Subject: Re: Hi Amelie

---

Some of them are 2011 and some are 2012.

Thank you.

**Jackie Wang**  
**TAOTAO USA INC. (L.A. Branch)**  
**Add: 14275 Telephone Ave, Unit A, Chino, CA 91710**

CX076

EPA-000903

**Site:** [www.taotao.us](http://www.taotao.us)  
**Office:** [909-614-1661](tel:909-614-1661)  
**Fax:** [909-614-1501](tel:909-614-1501)  
**Cell:** [909-859-4193](tel:909-859-4193) (24/7 available for our dealers)

On Tue, Aug 7, 2012 at 1:34 PM, Amelie Isin <[Isin.Amelie@epamail.epa.gov](mailto:Isin.Amelie@epamail.epa.gov)> wrote:  
Jackie,

Which model year are these from?

Amelie

Amelie Isin, P.E.  
USEPA Office of Enforcement and Compliance Assurance  
Air Enforcement Division, Mobile Source Enforcement Branch  
[202-564-0842](tel:202-564-0842)

CONFIDENTIALITY NOTICE: This transmission is intended to be delivered only to the named addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named addressee(s), please notify the sender immediately, by reply e-mail to [isin.amelie@epa.gov](mailto:isin.amelie@epa.gov) and/or by telephone [\(202\) 564-0842](tel:202-564-0842), to obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by anyone other than the named addressee(s), except with the express written consent of the sender or the named addressee(s). Thank you.

▼ Jackie Wang ---08/07/2012 04:23:21 PM---Hi Amelie, Thank you for your reply.

From: Jackie Wang <[jackie@taotao.us](mailto:jackie@taotao.us)>  
To: Amelie Isin/DC/USEPA/US@EPA  
Cc: "margaret (Harrison Wolf)" <[margaret@harrisonwolf.com](mailto:margaret@harrisonwolf.com)>, matao cao <[taotaoreport@gmail.com](mailto:taotaoreport@gmail.com)>, Christopher Thompson/DC/USEPA/US@EPA  
Date: 08/07/2012 04:23 PM  
Subject: Re: Hi Amelie

---

Hi Amelie,

Thank you for your reply.

We now have the models below in stock.

ATA125-A  
ATA125-D  
ATA125-H  
ATA125-G  
ATA250-C  
CY50-B  
CY50-T3

Thanks.

**Jackie Wang**  
**TAOTAO USA INC. (L.A. Branch)**  
**Add: 14275 Telephone Ave, Unit A, Chino, CA 91710**  
**Site: [www.taotao.us](http://www.taotao.us)**  
**Office: [909-614-1661](tel:909-614-1661)**  
**Fax: [909-614-1501](tel:909-614-1501)**  
**Cell: [909-859-4193](tel:909-859-4193) (24/7 available for our dealers)**

On Fri, Aug 3, 2012 at 1:18 PM, Amelie Isin <[Isin.Amelie@epamail.epa.gov](mailto:Isin.Amelie@epamail.epa.gov)> wrote:  
Hi Jackie,

Let me know which engine families you have in stock now, and I'll get back to you.

Thanks,  
Amelie

Amelie Isin, P.E.  
USEPA Office of Enforcement and Compliance Assurance  
Air Enforcement Division, Mobile Source Enforcement Branch  
[202-564-0842](tel:202-564-0842)

CONFIDENTIALITY NOTICE: This transmission is intended to be delivered only to the named addressee(s) and may contain information that is confidential, proprietary, attorney work-product or attorney-client privileged. If this information is received by anyone other than the named addressee(s), please notify the sender immediately, by reply e-mail to [isin.amelie@epa.gov](mailto:isin.amelie@epa.gov) and/or by telephone [\(202\) 564-0842](tel:202-564-0842), to obtain instructions as to the disposal of the transmitted material. In no event shall this material be read, used, copied, reproduced, stored or retained by

anyone other than the named addressee(s), except with the express written consent of the sender or the named addressee(s). Thank you.

▼ Jackie Wang ---08/02/2012 05:05:27 PM---Hi Amelie, Thank you for calling us back yesterday.

From: Jackie Wang <[jackie@taotao.us](mailto:jackie@taotao.us)>  
To: Amelie Isin/DC/USEPA/US@EPA  
Cc: "margaret (Harrison Wolf)" <[margaret@harrisonwolf.com](mailto:margaret@harrisonwolf.com)>, matao cao <[taotaoreport@gmail.com](mailto:taotaoreport@gmail.com)>  
Date: 08/02/2012 05:05 PM  
Subject: Hi Amelie

---

Hi Amelie,

Thank you for calling us back yesterday.

I talked to Margaret and Ryan today about our project.

I was wondering since we don't have some of the models in the States, is it possible for us to test the catalyst for the models right now we have in stock?

We will also have Harrison Wolf to review all of our check list docs before submit to EPA to make sure there is no amateur mistakes in it.

And Margaret said she will have an estimated projected time today. We may need an extension.

Thank you for everything.

**Jackie Wang**  
**TAOTAO USA INC. (L.A. Branch)**  
**Add: 14275 Telephone Ave, Unit A, Chino, CA 91710**  
**Site: [www.taotao.us](http://www.taotao.us)**  
**Office: [909-614-1661](tel:909-614-1661)**  
**Fax: [909-614-1501](tel:909-614-1501)**  
**Cell: 909-859-4193 (24/7 available for our dealers)**

