



U.S. CONSUMER PRODUCT SAFETY COMMISSION

4330 EAST WEST HIGHWAY
BETHESDA, MARYLAND 20814-4408

Troy Whitfield
Compliance Officer
Division of Regulatory Enforcement
Office of Compliance and Field Operations

Tel: 301-504-7548
Fax: 301-504-0359
email: twhitfield@cpsc.gov

November 22, 2019

Jinjun Yu, CEO
CRT MOTOR, INC. d/b/a CRT Moto
167 Mason Way Unit A4
City of Industry, CA 91746

Re: ATV Action Plan of CRT MOTOR, INC. d/b/a CRT Moto

Dear Jinjun Yu:

The U.S. Consumer Product Safety Commission ("Commission") has approved the CRT MOTOR, INC. d/b/a CRT Moto ("Firm") ATV Action Plan (enclosed). We intend to post the Firm's name indicating that the Firm has an approved ATV Action Plan on the ATV Action Plan page located on the Commission's website www.cpsc.gov no later than December 9, 2019. Please advise us before December 9, 2019 if the Firm objects to the posting of this information, taking into account the provisions of 15 U.S.C. § 2055 and the Commission's regulations at 16 C.F.R. Parts 1015 and 1101 (links below).¹

If you do not intend to comment or object, please let me know as soon as possible but no later than November 29, 2019.

Sincerely,

A handwritten signature in black ink, appearing to read "Troy Whitfield".

Troy Whitfield
Compliance Officer

cc: Rick Guzman, Outside Counsel
Enclosure: Action Plan

¹ <https://www.govinfo.gov/content/pkg/USCODE-2015-title15/pdf/USCODE-2015-title15-chap47-sec2055.pdf>;
<https://www.ecfr.gov/cgi-bin/text-idx?SID=9a4afdf470c0700c0b88167ddd0236e3&mc=true&node=pt16.2.1015&rgn=div5>;
<https://www.ecfr.gov/cgi-bin/text-idx?SID=9a4afdf470c0700c0b88167ddd0236e3&mc=true&node=pt16.2.1101&rgn=div5>.



167 Mason Way Unit A4

City of Industry, CA 91746

•Phone: 626.961.2888 •crtmoto005@gmail.com

July 11, 2019

Via email to atvactionplans@CPSC.gov

Office of the Secretary
U.S. Consumer Product Safety Commission
4330 East-West Hwy, Ste 820
Bethesda, MD 20814-4408

Subject: ATV Action Plan of CRT MOTOR, INC. d/b/a CRT Moto

This plan is submitted on behalf of CRT MOTOR, INC. d/b/a CRT Moto (“CRT”), which intends to become an importer and distributor of All Terrain Vehicles (“ATVs”) in the United States.

CRT is fully committed to the goal of reducing ATV-related accidents. As an importer/distributor, we are implementing policies in accordance with the requirements set forth by Section 42 of the Consumer Product Safety Act (“CPSA”), 15 U.S.C. § 2089, and 16 C.F.R. part 1420. The actions outlined below are part of our continuing effort to promote safe and responsible use of our ATVs.

AGE RECOMMENDATIONS

CRT is aware of the concern regarding injuries and fatalities among persons under the age of 16, therefore CRT will use its best efforts to ensure that its dealers comply with these requirements. CRT will only recommend, market, and sell ATVs for use under the age category/speed guidelines specified in Section 6 of the ANSI/SVIA 1-2017 standard for ATVs or any successor standards adopted by the CPSC for ATVs (“the ATV Standard”). CRT will not recommend, market, advertise, or sell adult-sized ATVs for the use of persons under 16 years of age. Furthermore, CRT will not recommend, market, advertise, or sell Y-6+ youth-sized ATVs for the use of persons under 6 years of age; Y-10+ youth-sized ATVs for the use of persons under 10 years of age; or Y-12+ youth-sized ATVs for the use of persons under 12 years of age.

DEALER EDUCATION AND DEALER MONITORING

➤ SCOPE AND COMPONENTS OF MONITORING PROGRAM

CRT requires that its dealers verify the intended ATV rider's age prior to selling that rider or his/her parent or guardian an ATV. CRT's warranty registration cards require the submission of the intended rider's name and date of birth to ensure that dealers do not sell CRT ATVs to under-aged riders.

Moreover, CRT will use its "best efforts" to ensure that its dealers comply with the User Age recommendation requirements of the ATV Standard; the requirements

related to notifying ATV purchasers about the availability and importance of free, hands-on ATV training and the monetary incentive for taking such training; and the requirements relating to providing the ATV Hang Tag, the ATV Owner's Manual, the ATV Safety Video, and the ATV Safety Alert to ATV purchasers at the point of purchase.

CRT will conduct on-site inspections of each of its authorized ATV dealers at least twice a year, with a minimum of 50 on-site inspections per year, by means of independent, undercover investigators (also known as "secret shoppers") to ensure that these dealers comply with the above-listed requirements and other safety-related practices during sales or promotional functions. The dealers who will be subject to undercover monitoring will be randomly selected annually. CRT will also modify the visitation criteria of its field personnel so that inspecting for dealer compliance with the above-listed requirements becomes a normal function of routine dealer visits.

CRT "best efforts" shall include, among other things, but not be limited to, an obligation to require, to the extent permissible under federal and state law, compliance by CRT's dealers, agents, or representatives with the terms of this ATV Action Plan in future contracts entered into with dealers, agents, or representatives, and, when possible and within a reasonable time, modification of existing contracts with dealers, agents, or representatives to impose this duty.

➤ **NOTICE AND TRAINING PROGRAM**

Within fifteen (15) days of learning of a dealer's non-compliance with the above-listed requirements from the CPSC staff, by one of CRT's independent investigators, or any other party, CRT will (1) notify the dealer of its non-compliance; (2) arrange an undercover, on-site inspection of the dealer to determine whether the dealer is complying with the above-listed requirements; (3) inform the dealer of the operative facts reported by the CPSC staff, the independent investigator, or the other party (such as the name of the salesperson and the model(s) of the ATVs) allegedly recommended during the inspection); and (4) CRT will initiate the notice and training procedures outlined in this section, and demand a cure of the reported violation(s).

In addition, within thirty (30) days after notifying the dealer of its non-compliance, CRT will provide on-site training to all dealership personnel who are involved in the sale of ATVs. The training will include, but not be limited to, information concerning the above-listed requirements, the need for compliance with them, and the potential disciplinary measures (including termination and non-renewal of the dealership agreement) that the dealer may incur if non-compliance continues. A record of the training effort will be made by CRT and provided to CPSC staff during bi-annual reporting (as described in the "Reporting" section below).

➤ **FOLLOW-UP MONITORING AND ENFORCEMENT FOR REPEATED NON-COMPLIANCE**

Within sixty (60) days after completing the above-referenced training for a non-compliant dealer, CRT will conduct an undercover, on-site, follow-up inspection of the dealer to determine whether the dealer is complying with the above-listed

requirements. If this follow-up inspection reveals evidence of continuing violations, CRT will take remedial action against the dealer, up to and including possible termination or non-renewal of the dealership agreement with CRT. If CRT elects not to terminate the dealer's contract, remedial actions will at a minimum include additional undercover on-site inspections of the dealer. If these additional inspections reveal an additional or continuing violation, CRT will terminate or decline to renew the dealer's contract. In each instance, CRT will inform the CPSC Office of Compliance and Field Operations in advance of any remedial action or disposition, and it will provide the CPSC staff a reasonable opportunity to comment on such action or disposition before it occurs.

➤ **REPORTING**

CRT will report the results of its dealer monitoring program to the CPSC staff on a semi-annual basis, with reports due to the CPSC's Office of Compliance and Field Operations on February 1 and August 1 of each year. These reports will include a list of non-complying dealerships, the date of inspection, and all training or enforcement actions taken by CRT, along with dates of all follow up activities and remedial actions. CRT shall maintain a list of all dealerships inspected each year in spreadsheet format, and this spreadsheet will be provided promptly to the CPSC staff upon its request. The CPSC staff shall maintain the confidentiality of these reports in accordance with applicable laws. The CPSC staff also reserves the right to request additional information from CRT regarding the results of CRT's dealer monitoring program.

➤ **NOTICE TO DEALERS**

CRT shall notify its dealers in writing of its dealer monitoring program within fifteen (15) days of the effective date of this Action Plan. This notice will remind dealers of their ongoing obligations to comply with the above-listed requirements and the consequences of their non-compliance, including, but not limited to, the assessment of administrative costs for CRT's monitoring of the dealer and possible termination or non-renewal of the dealership agreement. CRT will provide to the CPSC's Office of Compliance and Field Operations a copy of this notice in the first biannual report to the CPSC.

CRT OWNER'S MANUAL WILL CONFORM TO SECTION 4.21 OF THE ATV STANDARD

CRT's Owner's Manuals will comply with the requirements of Section 4.21 of the ATV Standard. CRT's toll-free number will be printed in all Owner's manuals.

ATV WARNING LABELS

CRT will use Warning Labels as required by Section 4.23 of the ATV Standard - which includes general age recommendation, passenger, tire pressure, and overloading labels.

HANG TAGS

CRT will use ATV Hang Tags as required by Section 4.24 of the ATV Standard - which

includes age recommendations, vehicle category, training availability, and safety messages. CRT will use its best efforts to require retailers to display the hang tags on new ATVs, and this will be part of CRT's unannounced audits of retailers.

TRAINING

- CRT will offer free hands on training through the existing ATV Safety Institute ("ASI") safety program to all purchasers of ATVs and age appropriate members of their immediate families.
- CRT will offer a full refund of any training fees associated with attending an ASI Program. After completion of the ASI course, the rider will qualify for an incentive worth \$100. The \$100 incentive for training will include at least \$50 in cash, with the balance offered (at the consumer's choice) as a rebate for already purchased safety equipment or a credit toward the purchase of new safety equipment.
- The purchaser will be informed of the free training offer several different ways. Inside the package containing the instruction manual will be a Free Training Certificate. To help ensure that the customer not only has the certificate but also is aware of the free training offer, the sales person and the customer will be required to fill out an online Warranty Registration form before the ATV leaves the store. One of the items which must be checked off by the customer is an acknowledgement that they have received the offer of free training. In addition, the free training offer will be set out on CRT's web site and in brochures available in the stores.
- CRT will also require warranty information to be completed on-line by CRT's retailers at time of purchase. Within two weeks of purchase, CRT will send by electronic (if available) and regular mail a reminder card of the training offer and incentives to the purchaser.
- The hands-on training offer will be in addition to training information provided to the consumer in the form of owner's manuals, hang tags, warning labels, safety alerts, DVD safety video, and other media.

ATV SAFETY VIDEO

CRT will provide to each purchaser of a CRT ATV a DVD safety video as described in Section H.3.b(4)(b) and paragraphs II.A and II.C of Appendix I of the 1988 ATV Consent Decrees. The video will be included in the shipping carton when the unit is packaged during production. The video will contain safety messages in accordance with safety messages found on the general ATV warning label. The video will be given to the consumer by the retailer during the sales process. CRT will also place a link on the CRT web-site to this safety video. This will allow users and subsequent owners, who may not have the DVD, to watch the video presentation.

SAFETY ALERTS

CRT's Safety Alerts will be packaged with each ATV during production and given to each consumer at the time of purchase. Each "Safety Alert" will contain the same substantive

safety information as the Safety Alert described at Section H.3.b(4)(c) and Appendix J of the 1988 ATV Consent Decrees, including: (1) Death and injury statistics for ATVs; (2) Safety rules; (3) Age recommendations; and (4) Availability of safety training. CRT will provide additional copies of the Safety Alert to each retail location for dissemination to prospective purchasers or others.

TOLL FREE HOTLINE

CRT will provide a toll-free, 24-hour hotline to respond to consumer inquiries as described at Section H.4 of the 1988 ATV Consent Decrees. Agents will be trained to provide safety and training information including age recommendations. CRT further agrees the hotline service will offer to send, free of charge, to every person who calls and requests, copies of the ATV Safety Guide produced for the in-store distribution. CRT's toll-free number will be printed in all owner's manuals, CRT ATV web-sites, and other promotional materials.

ADVERTISING

All advertisements and promotional materials used or distributed by CRT will include the substance of the safety messages as described in Section J.1 and Appendix K of the 1988 ATV Consent Decree and will depict ATVs in a manner consistent with safe and responsible use of the product. All riders shown in such advertisements shall wear full safety gear and helmets. CRT will make its best efforts to promote dealer compliance with these advertising requirements and company safety policy. All aspects of CRT's future advertising will adhere to specified provisions of the advertising guidelines set forth in the 1988 ATV Consent Decree.

INFORMATION/EDUCATION PROGRAM

- **Information/Education Efforts:** CRT will require its dealers implement an information/education effort to communicate appropriate age recommendations, the importance of wearing safety gear, and other safety-related information to consumers. The materials and information will be based on all publications produced by the Specialty Vehicle Institute of America ("SVIA") and the ATV Safety Institute ("ASI"). The materials will provide safety information and warn children under the age of sixteen of the risks and dangers of operating adult-sized ATVs.
- **Website:** CRT's company website will provide on-line access and the ability for consumers to communicate with CRT and others as well as download safety and education information. The website will provide appropriate warnings against the improper use of ATVs and explain the risks associated with ATV use. Users will be able to print the valuable safety and education information for personal use or to share with others.
- **Print Ad Campaign:** The delivery of the message will also be promoted through the inclusion of the web-site address on all Owner's manuals and printed safety messages. The web-site address and safety message will be included in Retail Print Circulars published by CRT ATV retailers.

- **Customer Safety Materials:** CRT will provide DVDs with every ATV sold. These DVDs will feature safety themes and messages consistent with the 1988 ATV Consent Decrees. CRT will distribute safety reminders by direct mail within a few weeks of retail purchases. The reminders will include the safety messages and information about the free ATV training and incentives for completing that training.
- **Store Display and Pamphlets:** CRT will also supply a CRT ATV Safety in-store poster for participating CRT retailers. The standalone in-store poster will deliver a message consistent with the general warning label and age restriction warning label. The in-store poster will contain a small pamphlet containing safety information and directions to the CRT ATV Safety web-site. The displays and pamphlets stress personal and family responsibility in the proper use of ATVs. CRT will require authorized dealers to display SVIA and ASI posters and educational materials in their retail locations.
- **Social Media:** CRT will utilize its social media assets to actively promote safe riding and age recommendations, to include Facebook, Instagram, and Twitter. CRT's social media postings shall be consistent with any applicable requirements listed in this action plan.
- **Program Budget Estimate:** CRT will set aside a fund of \$20,000 per year for the next ten years on its Information and Education Program.

3-WHEEL ATVS

CRT will not manufacture, market, or sell 3-wheel ATVs.

PARTICIPATION IN VOLUNTARY STANDARDS ACTIVITIES

CRT will participate in the ongoing efforts to update and revise the ATV voluntary standard. Potential technical issues identified by CPSC staff will be discussed and considered in good faith as part of those efforts.

PARTICIPATION IN ASI'S SAFETY PROGRAM

CRT shall be a participating member of the ASI ATV Safety Program. If at any time CRT is no longer a participating member of ASI's Safety Program, and therefore no longer able to access ASI's training and safety materials and services, CRT will cease to distribute ATVs into U.S. commerce until such time that CRT is able to provide equal or greater materials and services as described herein.

NOTICE OF CHANGE

CRT will inform the CPSC with at least 60 days advance written notice if it has any intention to terminate or materially change any commitment under this action plan. CRT will provide information about these activities upon request from CPSC.

AMENDMENT AND TERMINATION PROCEDURES

SCANNED

If Commission staff determines that CRT's approved ATV Action Plan is no longer effective or adequate, Commission staff may take certain action, including but not limited to notifying CRT that its ATV Action Plan must be amended to address the effectiveness or adequacy of the plan. With that notification, Commission staff shall provide CRT with the text of any proposed amendment. CRT and Commission staff must reach agreement on the proposed amendment within 30 calendar days of the notification, unless Commission staff grants an extension for good cause. If CRT and Commission staff fail to reach an agreement within the designated timeframe, then Commission staff may recommend termination of the CRT Action Plan. Additionally, (i) if CRT fails to comply with the obligations of this ATV Action Plan, or (ii) if Commission staff determines that CRT can no longer comply with the obligations of this ATV Action Plan, or (iii) if CRT fails to adopt a requested amendment within the timeframe specified by staff, Commission staff, after providing CRT with notice and an opportunity to respond, may recommend termination of the ATV Action Plan. CRT may not manufacture, import, or distribute any ATV in the United States under this Action Plan after receiving written notice of such termination. Failure to cease manufacture, importation, or distribution in United States commerce of any ATV under this ATV Action Plan after receipt of notice of termination is a prohibited act under section 19(a)(1) of the CPSA, 15 U.S.C. § 2068(a)(1).

CRT is proud of our insistence on selling only quality and safe ATVs and looks forward to working with and maintaining a good standing relationship with the CPSC in the future.

CRT hereby agrees to take all of the actions to promote ATV safety set forth in this CRT ATV Action Plan, and further agrees to fulfill each of the undertakings set forth in this Plan. CRT understands that any failure to perform the actions, or fulfill the commitments set forth in the Plan may result in termination of the Plan.

Very truly yours,

CRT MOTOR, INC. d/b/a CRT Moto



Jinjun Yu
CEO
CRT MOTOR, INC. d/b/a CRT Moto