

12
DRR

A DBA of

L & R Racing Inc.
P.O. Box 875
Brunswick, Oh 44212
Phone: 330-220-3102 Fax: 330-220-3204

DELIVERY via: Email, Fax & Certified delivery

MER/PRV/LBR NOTIFIED

COMMENTS: YES NO 12/3/09

OVERRULED; ATTACHED

EXCISIONS/FOIA Hxs.

☒ DO NOT RE-NOTIFY RE-NOTIFY

April 29, 2009

Howard N. Tarnoff
Lead Trial Attorney
Office of the General Counsel
U.S. Consumer Product Safety Commission
4330 East-West Highway,
Bethesda, MD 20814
Fax: 301-504-0403 E-Mail: htarnoff@cpsc.gov

Dear Mr. Tarnoff:

I am pleased to present to you the revised action plan from L & R Racing Inc. (d/b/a DRR) ("DRR"). This plan is similar to the voluntary agreement that DRR received in July of 2001. DRR has always remained committed to promoting the safe and responsible use of ATVs, through its stringent compliance with the original agreement. DRR will provide any documentation needed to address each provision of this action plan within 30 days of any requests. DRR will continue to test its vehicles for compliance at time of manufacturing through various tests and procedures set at the factory. DRR can provide this information upon request.

I. AGE RECOMMENDATIONS

DRR will not recommend, market, advertise, or sell new adult-sized ATVs for the use of persons less than 16 years of age. In addition, DRR will use only the maximum speed and speed limitations specified at Section 6 of the ANSI/SVIA-1-2007 standard for ATVs. DRR will use its best efforts, including monitoring dealers as outlined in the next section, to reasonably assure that DRR retail dealers do not recommend or sell ATVs for use by individuals under the minimum ages.

II. DEALER MONITORING

a. Monitoring program. DRR remains committed to requiring dealers to accurately convey the recommendations and safety messages associated with DRR products. DRR will continue its current program of undercover monitoring of sales presentations. Under this program, a number of dealers will be monitored each year by employees inside our company. The dealers will be chosen by random sampling, with the sample weighted toward the higher sales-volume dealers. The volume sampling will be as follows: For every 10 units the dealer sells in 60 days the dealer will receive 1 on site inspection and 2 mystery phone calls to ensure compliance with suggested guide lines. These inspections and calls will be documented and recorded and available upon request. DRR will conduct a minimum of 50 on-site, undercover dealer inspections per year.

b. Terminations. To the extent that a DRR dealer's activities warrant and state laws permit, DRR will take appropriate action, up to and including termination, to assure that dealers follow DRR's requirements.

III. HANDS-ON TRAINING COURSE

- a. **Free training.** DRR will continue offering to first time purchasers and age-appropriate immediate family members the ATV Safety Institute's (ASI) hands-on training program, at no charge. As with current DRR policy, business and government purchasers will receive one free admission to the training program. All questions should be referred to the 24 hour toll free hotline.
- b. **Incentives.** DRR is proud of the efforts that ASI has put into encouraging purchasers, especially first-time buyers, to pay for those who attend the training class, and facilitating student participation. DRR recognizes that CPSC considers incentives an important motivator for some purchasers who may not otherwise take the training course. DRR will offer first time purchasers a \$50 cash rebate together with a \$50 credit rebate for already-purchased DRR safety equipment after the successful completion of the ASI program, and will continue to offer an incentive of a \$50 DRR credit to purchasers who have bought an ATV before. This rebate is designed to encourage the purchase of safety equipment at the same time the ATV is purchased.
- c. DRR will continue using its Safety Information and Warranty paperwork to encourage safety. We will offer rider training certificates to standardize the training course enrollment process at the dealership, and to present key safety messages to the purchaser. Such messages will be consistent with other point-of-purchase safety materials and the information and education effort.

IV. SAFETY ALERT

- 1) DRR will continue to provide to its dealers, for dissemination to prospective buyers information that conveys the same safety messages as the current 'ATV Safety Alert.' The Safety Alert will include the required information concerning the estimated number of fatalities and injuries associated as required by Section H.3.b (4) (c) and Appendix J of the 1988 ATV Consent Decree.

V. INFORMATION AND EDUCATION EFFORT

- A. DRR has committed substantial time and effort in the creation and use of safety and education packages which ship with every vehicle since 2006. The new Safety and Education package will include the following:
 - 1) DRR will revise its multiple part "Safety Alert and Education Form" that the dealer and consumer review before the purchase, which will encourage the purchase of safety equipment at the time of purchase and also ensure the consumer clearly understands the importance of the correct ATV sizing and safety training.
 - 2) DRR will continue to use our "Safety and Warranty Form." This is a 4-part form that includes 20 additional educational ATV safety guidelines which the dealer reviews and signs off with the purchaser.
 - 3) Service and Inspection Form. This form provides valuable service safety checks for the ATV, helps alert the customers importance to these items and our web page for service and safety bulletins.
 - 4) Warranty Registration. This form is a 4-part form which again reviews appropriate sizes of the ATVs and safe riding practices that must be signed by the dealer and customer.
 - 5) A Safety Video which was designed and matches the original consent decrees content, must reviewed and a proof of review form must be signed at the dealership as part of the above #2 "Safety and Warranty Form".
 - 6) DRR will also develop and feature 6 additional safety and Educational Videos which it will require dealers to view and sign off a form verifying completion and understanding

of the information in the videos. These videos will ensure a continual ongoing education of our dealers. The documentation from the dealers will be available from DRR upon request.

- 7) DRR will create and use a similar interactive CD-ROM used by other manufacturers. This CD-ROM will be designed to convey ATV safety information in a competitive, visually exciting manner that resembles the types of interactive video simulations that pre- and young teens find entertaining. The CD-ROM will be designed to provide a new and exciting way to warn children against the use of adult-sized ATVs and teach them about other risks associated with ATV use. We hope to include the capability that will allow program users to create personalized achievement certificates based on their scores. ~~These certificates can be reprinted and will restate some of the key safety information~~ learned during the program, further reinforcing the safety messages to all those whom the certificates are shown.
- 8) DRR will package the CD-ROM with all new ATV models produced after the program is developed and implemented. DRR will also make every effort to create and replicate this program on DRR's website so that it can be accessed and used on-line or downloaded and used.
- 9) DRR will also participate in a direct mail campaign incorporating all the safety messages which will be sent to new owners within a few weeks of vehicle purchase.
- 10) We will offer all of the above through our online dealer training program which will provide certificates and incentives for our dealers' completion and compliance.
- 11) Print Ad Campaign. For one year following the creating of the interactive CD-ROM, DRR will include in its advertising the availability of the CD-ROM. Furthermore, all of DRR's advertising will include a safety message and similar educational information.
- 12) DRR will use today's modern media to present fun, educational safety videos for distribution on MYSPACE, YOU TUBE and FACEBOOK. DRR will create a series of short videos which convey and emphasize ATV safety to include, but not limited, to proper sizing of ATVs, safety equipment and safety training. These videos will further be incentivized by offering free safety equipment and or prizes for viewers who are the 10,000 viewer in increments up to the 1 millionth viewer. DRR believes that recent news events have proven that internet campaigns similar to this one are far more effective at reaching a larger audience than traditional print media.
- 13) DRR will also create and disseminate a safety poster for posting by DRR dealers. This poster will feature safety and educational information encouraging correct ATV sizing it will also feature our safety equipment incentive program.

V. POINT-OF-PURCHASE MATERIALS

a. Labels and hangtags. DRR will continue using the current general, passenger, tire pressure/overloading, and age warning labels and handlebar hangtags. The general and passenger warning labels and the hangtags were recently updated as an industry effort and with CPSC cooperation. These new labels and hangtags appear on all 2009 model year DRR ATVS. DRR will provide CPSC with a copy of any label or hangtag that contains a material change in format or presentation. DRR field personnel will spot check that hangtags appear on ATVs on display at DRR dealerships.

b. Video. DRR will provide to each purchaser of a DRR ATV a DVD safety video as described in Section H.3.b. (4) (b) and 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.

d. Rider Training Certificates. DRR will continue using rider training certificates to standardize the training course enrollment process at the dealership and to present key safety messages to the purchaser. Such messages will be consistent with other point-of-purchase safety materials and the information and education effort.

VI. TOLL-FREE ATV HOTLINE

Toll-Free ATV Hotline: DRR 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. DRR's toll-free number will be printed in all owner manuals, ATV web-sites, and other promotional materials.

VII. ADVERTISING

All DRR ATV advertising and promotional materials will include the substance of the safety messages that are described at Section J.1 and Appendix K to the 1988 ATV Consent Decrees and will depict ATVs in a manner consistent with safe and responsible use of the product. All riders shown in such advertisements shall wear helmets and full protective gear. The company shall use best efforts to promote dealer compliance with the advertising requirements.

VIII. TECHNICAL ISSUES

DRR will participate with other ATV distributors and CPSC staff in revising the ANSI standard as appropriate. DRR products will continue to comply with the current standard until the standard is modified.

IX. SVIA LABELS

All ATVs produced after 4/13/2009 will have affixed in a visible location Certification stickers to attest the compliance to the requirements set forth in the ANSI/SVIA-1-2007 standards. The stickers will state that the ATV meets the SVIA standards upon the date of manufacture. Upon request DRR will provide reasonable assurance that the ATVs are manufactured to the SVIA standards. In addition a copy of the actual warning stickers, photos of the product specifications and/or video of its function can be furnished within 30 days of request.

X. NOTIFICATION

DRR intends to conduct its business according to the plans outlined in this letter for the foreseeable future. DRR will give CPSC 60 days advance notice of any material change in these plans.

XI. IMPLEMENTATION

Implementing the plans outlined in this letter will require changes in existing procedures (as with training incentives) and development of new materials (as with the point-of-purchase videotape). DRR will change procedures and use new materials in a reasonable time frame after their availability. Until any such new procedures or materials are available, DRR will continue with current programs. This includes the distribution of current safety alerts until such time, if any, that a possible revised safety alert is developed.

Unless otherwise indicated in this letter, DRR will provide to CPSC information concerning the activities described in this letter upon reasonable request.

XII. CONCLUSION

Well before the Consent Decree was instituted, DRR promoted safe use of ATVs in the United States. After the Consent Decree expired, DRR remained responsive and innovative in shaping its safety efforts in a changing marketplace. DRR will continue to work with its dealer network to promote safe and responsible use of ATVs by DRR's customers.

The plans outlined in this letter represent a major voluntary undertaking by DRR. DRR anticipates that these plans will be well received by the Commission. DRR also trusts that CPSC has found, as DRR has, the working relationship between DRR and CPSC to be effective and productive.

Sincerely,



Louis DeCuzzi - President