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MEM/PRVLBR NOTIFIED
COMMENTS: NO 7/23/09
OVERRULED; ATTACHED
EXCISIONS/FOIA Hrs.
 DO NOT RE-NOTIFY RE-NOTIFY

LUYUAN Inc
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July/6/2009

To:
Renee K. Haslett
Trial Attorney
Division of Compliance
Office of the General Counsel
U.S Consumer Product Safety Commission
4330 East-West Highway
Bethesda, MD 20814

ATV Action Plan of Luyuan, Inc.

ATV Labels

Luyuan Inc. will use all required labels and conform to section 4.23 of ANSI/SVIA 1-2007 of the standard for ATVs ("the ATV Standard").

Age Recommendations

Luyuan Inc. will only recommend, market, advertise, and sell ATVs for use under the age category/speed guidelines specified at Section 6 of the ATV Standard. Luyuan, Inc. will not recommend, market, advertise, or sell adult-sized ATVs for the use of persons less than 16 years of age. Luyuan, Inc. will use its best efforts to ensure that its dealers comply with these requirements.

Owner's Manuals

Luyuan Inc.'s owner's manuals will conform to section 4.21 of the ATV Standard.

Safety Video

The video shall comply with all requirements in Section H.3.b.(4)(b), and paragraphs II.A and II.C of Appendix I of 1988 ATV Consent Decrees. Luyuan Inc. will provide a safety video to all retail purchasers of Luyuan ATVs at the point of purchase.

Hang Tags

Luyuan Inc. will provide a hang tag with every ATV. The hang tags shall comply with the requirements of Section 4.24 of the ATV Standard and shall include information about free, hands-on ATV training availability.

Training

- a. Luyuan Inc. will require that all of its authorized dealers offer ATV purchasers, and members of the ATV purchaser's immediate family, the opportunity to register for free hands-on ATV training through the ATV Safety Institute ("ASI") at the time of purchase.
- b. Information about the ASI course and "how to register" can also be found on hang tags and safety alerts, in owner's manuals and advertisements, and by calling the toll-free hotline.
- c. 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 towards the purchase of new safety equipment.
- d. Luyuan will pay for all the cost.

Dealer Monitoring

Luyuan Inc. will use its best efforts to obtain dealer compliance with the age recommendations, including through its Dealer Monitoring program consisting of undercover, on-site inspections conducted by independent investigators. Luyuan Inc. will randomly conduct at least 60 undercover, on-site dealer inspections annually. Luyuan Inc. will take corrective action against non-complying dealers, including possible termination for repeat violations.

Safety Alerts

Luyuan Inc. will supply its dealers "Safety Alert" documentation to be provided at the point of purchase to all retail purchasers of Luyuan Inc. ATVs. The document will contain the same substantive safety information as the Safety Alert described at H.3.b.(4)(c) and Appendix J of the 1988 ATV Consent Decrees. This information includes: death and injury statistics for ATVs, safety rules, age recommendations, and the availability of safety training.

Advertising

For all ATV advertising and promotional materials, Luyuan, Inc. will include the substance of the safety message described in 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 helmets and full protective gear. Luyuan, Inc. will use its best efforts to promote dealer compliance with the advertising requirements.

Toll-free Telephone Hotline

Luyuan, Inc. will provide a Toll-free Telephone Hotline which will be available to consumers 24 hours a day and will conform to Section H.4 of the 1988 ATV Consent Decrees.

Information and Education Program

Luyuan, Inc. will have an Information and Education Program directed primarily at providing safety information and deterring children under sixteen from operating adult-sized ATVs. The program will conform to Appendix N of the 1988 ATV Consent Decrees. Elements of the program include the following:

a. Interactive CD-ROM

The CD-ROM will be designed to provide an exciting way to warn children against the use of adult-sized ATVs and to teach them about other risks associated with ATV use. The CD-ROM will be packaged with all new Luyuan, Inc.'s ATVs.

b. Video

The video will feature the safety themes and messages. The video will also promote participation in the hands-on training program offered through ASI. Copies of the new video will be packaged with all new ATVs.

c. Safety Reminders

Luyuan, Inc. will launch a direct mail or email effort to new ATV purchasers directed at parents. A direct mail or email piece incorporating the safety messages and the information about the free ATV training and the incentives offered for completing that training will be sent to new owners within a few weeks of vehicle purchase. Luyuan, Inc. will also use dealer's customer data to reach new purchasers by telephone with the safety reminders.

d. Poster

Luyuan, Inc. will create and disseminate a poster with safety messages for Luyuan dealers to post. Luyuan, Inc. will also email safety and training reminders to dealers.

e. Website

Luyuan, Inc. intends to expand its company website to the extent feasible to provide on-line access to a rendition of the CD-ROM program and other safety information. Luyuan will provide a capability allowing persons to download the CD-ROM program from the website.

f. Print Ad

Luyuan, Inc. intends to advertise the availability of its new CD-ROM program through monthly advertising in various ATV magazines (e.g., ATV Magazine and Dirt Bike Magazine) during the first 3 years of the CD-ROM program's creation.

g. Program Budget Estimate

Luyuan, Inc. anticipates that the direct costs of the program will range from approximately \$100,000 to \$200,000 over the next 3 years.

Advance Notice of Changes

Luyuan Inc. shall give the CPSC at least 60 days advance notice of its intention to terminate or materially change any commitment under the action plan.

Thank you

Sincerely,

Andy Ying

Chairman
Luyuan Inc.