

DUNAWAY & CROSS

A PROFESSIONAL CORPORATION

SUITE 410

1100 CONNECTICUT AVENUE, N.W.

WASHINGTON, D.C. 20036

(202) 862-9700

FAX (202) 862-9710

MAC S. DUNAWAY

GARY E. CROSS

MATTHEW F. HALL

J. PARIS FISHER*

GOVERNMENT RELATIONS ADVISOR

*NOT ADMITTED

November 10, 2015

Via Electronic Mail

Justin Jirgl
Regulatory Enforcement Division
U.S. Consumer Product Safety Commission
4330 East West Highway
Bethesda, MD 20814-4423

RE: ATV Action Plan of Textron Specialized Vehicles

Dear Mr. Jirgl:

This plan is submitted on behalf of Textron Specialized Vehicles, Inc. ("TSV"), which intends to become an importer and distributor of All Terrain Vehicles ("ATVs") in the United States. TSV insists on promoting safe and responsible usage of all its ATVs and is fully committed to the goal of reducing ATV-related accidents. TSV is implementing policies in accordance with the rules set forth by the Section 232 of the Consumer Product Safety Improvement Act of 2008. The actions outlined below are part of our effort to provide the safest ATVs for TSV customers.

Age Recommendations:

TSV will only recommend, market, advertise, and sell ATVs for use pursuant to the age category/speed guidelines specified in Section 6 of the ANSI/SVIA-1-2010 Standard for ATVs ("the ATV Standard"). In addition, TSV will not recommend, market, advertise, or sell adult-sized ATVs for the use of individuals less than 16 years of age. TSV will use its best efforts to ensure that our dealers comply with these requirements. TSV will not recommend, market, advertise or sell Y-6+ youth-size ATVs for use of persons under 6 years of age, Y-10+ youth-size ATVs for the use of persons under 10 years of age; or Y-12+ youth-size ATVs for the use of persons under 12 years of age.

Dealer Monitoring:

1. Scope and Components of Monitoring Program

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

TSV will use its "best efforts"¹ 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.

TSV will observe each dealer at least twice a year, with a minimum of 50 dealer visits 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. TSV 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.

2. 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 or by one of TSV's independent investigators,² TSV will:

- notify the dealer of its non-compliance;
- inform the dealer of the operative facts reported by the CPSC staff or the independent investigator (such as the name of the salesperson and the model(s) of the ATV(s) allegedly recommended during the inspection); and
- demand a cure of the reported violation(s).

In addition, within thirty (30) days after notifying the dealer of its non-compliance, TSV 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 enforcement actions (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 TSV and provided to CPSC staff during bi-annual reporting (as described in the "Reporting" section below).

¹ "Best Efforts" shall include, among other things, an obligation to require, to the extent permissible under federal and state law, compliance by TSV's dealers, agents, or representatives with the terms of this ATV Action Plan in future contracts entered into with dealers, agents, or representatives, and, where possible and within a reasonable time, modification of existing contracts with dealers, agents or representatives to impose this duty.

² Within fifteen (15) days of learning of a dealer's non-compliance with the above-listed requirements from a third party (such as another dealer or distributor), TSV will notify the dealer of the reported non-compliance and arrange an undercover, on-site inspection of the dealer to determine whether the dealer is complying with the above-listed requirements. If TSV discovers a violation during this inspection, TSV will initiate the notice and training procedures outlined in this section.

3. Follow-up Monitoring and Enforcement for Repeated Non-Compliance

Within sixty (60) days after completing the above-referenced training for a non-compliant dealer, TSV 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, TSV will take remedial action against the dealer, up to and including possible termination or non-renewal of the dealership agreement with TSV.³ If TSV 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 violation, TSV will terminate or decline to renew the dealer's contracts. In each instance, TSV 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.

4. Reporting

TSV will report the results of its dealer monitoring program to the CPSC staff on a bi-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 TSV, along with dates of all follow up activities and remedial actions. TSV will maintain a list of all dealerships inspected each year in spreadsheet format, and this spreadsheet shall be provided promptly to the CPSC staff upon its request. The CPSC staff will maintain the confidentiality of these reports in accordance with applicable laws. The CPSC staff also reserves the right to request additional information from TSV regarding the results of TSV's dealer monitoring program.

5. Notice to Dealers

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

Information and Education Program:

The focus of the TSV ATV safety and education program is to stress the importance of children under the age of 16 not operating Adult ATVs and the importance of wearing the appropriate safety gear while riding ATVs. The program's message will be delivered through in-store advertising, in-store pamphlets and the Internet.

³ The nature of the enforcement action will be determined on a case-by case basis, and TSV will consider factors such as the applicable state and local laws, the circumstances of the reported violations, the length of time between reported violations, any intervening inspections in which the dealer was reported to be in compliance with the above-listed requirements, and the strength of the evidence supporting termination.

The content of the TSV ATV safety and education program will be consistent with information found on the ATV Safety Alert label. The elements of the TSV ATV safety and education program include the following:

- TSV makes a commitment to set-aside \$25,000 per year for the next ten (10) years to support its Information and Education Program.
- TSV will require that all authorized dealers implement a new information/education effort to communicate age recommendations, passenger, and other safety-related information to consumers. Our 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.
- TSV will provide DVDs with every ATV sold. These DVDs will feature safety themes and messages consistent with the 1988 ATV Consent Decrees.
- TSV 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.
- TSV will sponsor a safety ad campaign, including web advertising and print advertising in major off-road publications. The ads will promote safe riding and age recommendations. The ads will continuously run throughout the whole year.
- TSV will distribute safety posters and flyers to authorized dealers. The content of these posters and flyers will include the safety messages for TSV dealers to display.
- TSV will require authorized dealers to display SVIA and ASI posters and educational materials in their retail locations.
- TSV's company website will provide on-line access and the ability for consumers to download safety and education information. The website will provide appropriate warnings against the improper use of ATVs and teach about 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.
- TSV will utilize its social media assets to actively promote safe riding and age recommendations, to include Facebook, Instagram, and Twitter.

Training:

- TSV will offer free, hands-on ATV training to all TSV first time purchasers and age appropriate members of their immediate family. This training will be conducted through the educational programs of the ASI. All authorized dealers are able to register purchasers and age appropriate members of their immediate familiar for ASI training course at the time of purchase.
- After completion of the ASI course, the rider will qualify for an incentive worth \$100.
- The training program is in addition to the training information that will be provided in a variety of formats to all purchasers, including the owner's manual, hang tags, ATV safety video and other media.

ATV Hang Tags:

TSV will provide all authorized dealers hang tags which are attached to all TSV ATVs. The tags will comply with the requirements of Section 4.24 of the ATV Standard. The tags will convey the safety messages as required.

ATV Labels:

TSV will use all required labels, which will conform to Section 4.23 of the ATV standard.

Owner's Manuals:

TSV owner's manuals will conform to Section 4.21 of the ATV Standard. TSV will update owner's manuals if required by law. Toll free information helpline will be included in owner's manuals.

ATV Safety Video:

TSV will provide a Safety Video to all retail purchasers of Textron Specialized Vehicles at the point of sale. The video will comply with all requirements described at Section H.3.b.(4)(b) and paragraphs II.A and II.C of Appendix I of the 1988 ATV Consent Decrees.

Safety Alerts:

TSV will provide to its dealers, for dissemination to prospective purchasers, information that conveys substantive safety messages including information concerning the estimated number of injuries and fatalities associated with ATVs as described at Section H.3.b(4)(c) and Appendix J of the 1988 Consent Decrees. Information of Injury and death statistics for ATVs, safety rules and age recommendations will be included. TSV will also include information about availability of ATV safety training in its Safety Alerts.

ATV Safety Posters:

TSV will provide ATV Safety Posters to our dealers. All the dealers are required to promote the ATV Safety Posters to all actual and prospective ATV consumers.

24 Hour Toll-Free Hotline:

TSV will provide a 24 hour toll-free hotline in accordance the requirement of Section H.4 of the 1988 ATV Consent Decrees. Information available by this service will include age recommendations, warning labels, owner's manuals, advertising and promotional materials and ATV Safety Alerts. The toll-free number will be shown in all owner's manuals, ATV websites and other promotional materials.

Advertising:

- TSV will use its best efforts to encourage dealers to comply with advertising requirements and our company safety policy.
- TSV will require that all advertising and promotional materials depict the safe and responsible operation of ATVs. All riders shown in such advertisements and promotional materials will wear helmets and full protective gear. The advertising shall include the safety messages described in Section J.1. and Appendix K of the 1988 ATV Consent Decrees.

Participation in ASI's Safety Program:

If at any time TSV 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, TSV will cease to distribute ATVs into U.S. commerce until such time that TSV is able to provide equal or greater materials and services as described herein.

3-Wheel ATVs:

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

Notice of Change:

TSV will inform CPSC with at least sixty (60) days advance notice if we have any intention to terminate or materially change any commitment under this action plan. TSV will provide information about these activities upon request from CPSC.

Amendment and Termination Procedures:

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

On behalf of TSV, thank you in advance for your attention to this important matter. TSV stands ready to comply with all ATV action plan requirements. TSV hereby agrees to take all of the actions to promote ATV safety set forth in this TSV ATV Action Plan, and further agrees to fulfill each undertaking set forth in this Plan. TSV 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,

DUNAWAY & CROSS, P.C.



Matthew F. Hall

Counsel to Textron Specialized Vehicles, Inc.

TEXTRON

Julie G. Duffy
Vice President, Deputy
General Counsel -
Litigation

Textron Inc.
40 Westminster Street
Providence, RI 02903
Tel: (401) 457-2336
Fax: (401) 457-3645
jduffy@textron.com

December 9, 2015

Lauren Oliner Kleinman, Esq.
Trial Attorney
Office of the General Counsel
U.S. Consumer Product Safety Commission
4330 East West Highway
Bethesda, Maryland 20814

Re: ATV Action Plan of Textron Specialized Vehicles, Inc.

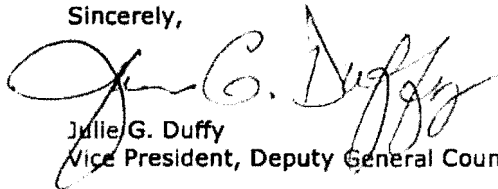
Dear Ms. Kleinman:

At your request, this letter supplements the ATV Action Plan submitted to the U.S. Consumer Product Safety Commission by Textron Specialized Vehicles Inc. ("TSV") on June 22, 2015 and further amended on November 10, 2015 (the "Plan"). This letter should be considered to be part of the Plan.

TSV is a Delaware corporation and wholly-owned subsidiary of Textron Inc. ("Textron"). As its corporate parent, Textron hereby agrees to provide financial support to ensure that TSV takes all of the actions to promote ATV safety set forth in the Plan, and further agrees to ensure that TSV fulfills each of the undertakings set forth in the Plan.

Textron understands that any failure by TSV to perform the actions, or fulfill the commitments, set forth in the Plan could result in termination of the Plan.

Sincerely,



Julie G. Duffy
Vice President, Deputy General Counsel-Litigation