

**UNITED STATES DEPARTMENT OF TRANSPORTATION
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION**

1200 New Jersey Avenue SE
Washington, DC 20590

In re: _____)
)
P.T. Elangperdana Tyre Industry)
)
_____)

CONSENT ORDER

This Consent Order is issued pursuant to the authority of the National Highway Traffic Safety Administration (“NHTSA”), an operating administration of the U.S. Department of Transportation. This Consent Order sets forth the requirements and performance obligations agreed to by P.T. Elangperdana Tyre Industry (“Elangperdana”), under the following terms and conditions.

I. NATURE OF THE ACTION

1. The National Traffic and Motor Vehicle Safety Act of 1966, as amended and recodified (the “Safety Act”), 49 U.S.C. Chapter 301, provides for regulation of motor vehicles and motor vehicle equipment by the Secretary of Transportation. The Secretary has delegated the authorities under the Safety Act to the NHTSA Administrator. 49 C.F.R. § 1.95(a). All authorities lawfully vested and reserved to the NHTSA Administrator may be exercised by the NHTSA Deputy Administrator. *See* 49 C.F.R. § 501.5(a).

2. Under the Safety Act, manufacturers of certain passenger car tires must provide consumers with information regarding tire performance in the areas of traction, treadwear and temperature resistance. *See* 49 U.S.C. §§ 30117(a), 30123(b); 49 C.F.R. § 575.104. In accordance with the Uniform Tire Quality Grading Standards set by NHTSA, this information is conveyed in the form of a letter or numeric grade affixed to the tire’s sidewall. 49 C.F.R. § 575.104. Each tire shall be able to achieve the level of performance represented by each grade

with which it is labeled. *Id.*

3. A person who violates the Safety Act, or a regulation thereunder, is liable to the United States Government for a civil penalty. 49 U.S.C. § 30165(a); 49 C.F.R. § 578.6(a). A separate violation of 49 U.S.C. § 30117, or a regulation thereunder, occurs for each item of motor vehicle equipment and for each failure or refusal to allow or perform a required act. 49 U.S.C. § 30165(a)(1); 49 C.F.R. § 578.6(a)(1).

4. On April 5, 2019, NHTSA tested two Accelera PH1 size 235/55ZR17 tires manufactured by Elangperdana. The tires were graded AA; however, NHTSA's testing showed both tires failed to meet the AA grade requirements, receiving A grades.

5. On July 24, 2019, NHTSA tested an additional two Accelera PH1 size 235/55ZR17 tires manufactured by Elangperdana. During this test, both tires failed to meet the AA grade requirements, again receiving A grades.

6. In connection with NHTSA's test results, NHTSA sent an Information Request letter to Elangperdana on December 9, 2019. Elangperdana's response indicated that it had previous knowledge of its tire's A grade. Elangperdana began revising its tire molds to correct the label from AA to A in 2015. This mold revision was completed in January 2020.

7. Based on NHTSA's inquiry, including information provided by Elangperdana, NHTSA asserted that Elangperdana violated the Safety Act and regulations thereunder, specifically by mislabeling tires with the incorrect Uniform Tire Quality Grading ("UTQG") rating. To administratively resolve these issues, NHTSA and Elangperdana have mutually agreed to this Consent Order.

8. NHTSA issues this Consent Order pursuant to its authority under the Safety Act, 49 U.S.C. Chapter 301, to compromise the amount of civil penalties, 49 U.S.C. § 30165(b), to inspect and investigate, 49 U.S.C. § 30166(b)(1), and to require any person to file reports or

answers to specific questions, 49 U.S.C. § 30166(e).

It is AGREED by Elangperdana and ORDERED by NHTSA that the following provisions apply.

II. TERMS AND CONDITIONS OF CONSENT ORDER

Admission of Safety Act Violations

9. Elangperdana admits that it violated the Safety Act by providing tires with inaccurate Uniform Tire Quality Grading Standards grading information, in violation of 49 U.S.C. § 30117(a) and 49 C.F.R. § 575.104(d).

Representation

10. Elangperdana represents that it has updated its inaccurate tire molds such that the tires at issue are now correctly labeled pursuant to UTQG requirements. *See* 49 C.F.R. § 575.104.

Civil Penalty

11. Subject to the terms in the remainder of this Paragraph, Elangperdana must pay a civil penalty in the sum of four-hundred and twenty-five thousand dollars (\$425,000) (“Total Civil Penalty”).

a. Of the Total Civil Penalty, the sum of three-hundred thousand dollars (\$300,000) (“Non-Deferred Amount”) must be paid on the following schedule and in accordance with instructions provided by NHTSA. Elangperdana must make sixteen (16) equal installment payments of eighteen thousand seven hundred and fifty dollars (\$18,750), with the first installment due no later than thirty (30) calendar days after the Effective Date of this Consent Order and in accordance with the instructions provided by NHTSA. Elangperdana will pay the remaining installments no later than every twenty-eighth (28th) calendar day thereafter, with any remaining unpaid balance of the Non-

Deferred Amount due no later than thirty (30) days before the final day of this Consent Order term.

b. Of the Total Civil Penalty, the sum of one-hundred and twenty-five thousand dollars (\$125,000) ("Abeyance Amount") will be deferred and held in abeyance by NHTSA pending Elangperdana's satisfactory completion, as reasonably determined by NHTSA, of the requirements of this Consent Order. In the event that Elangperdana commits material violations of the Safety Act, regulations thereunder, or this Consent Order during the term of this Consent Order, Elangperdana may be obligated to pay the Abeyance Amount or a portion thereof in accordance with Paragraph 13 below, and may be liable for additional civil penalties beyond the Abeyance Amount for those violations of the Safety Act and regulations thereunder.

12. Pursuant to this agreement, Elangperdana admits that it owes a debt in the amount of four-hundred and twenty-five thousand dollars (\$425,000), as provided for in Paragraph 11, arising from activities under the jurisdiction of the U.S. Department of Transportation, due and owing to the United States under the Federal Claims Collection Act of 1966, as amended and codified at 31 U.S.C. § 3701, *et seq.* (hereinafter the "Claims Collection Act").

13. If Elangperdana fails to make the payment of the Non-Deferred Amount as set forth in Paragraph 11(a) above, or any payments of the Abeyance Amount as may be imposed in accordance with this Consent Order, on or before their respective due dates, Elangperdana will be in default of this Consent Order and the remaining balance of the Total Civil Penalty will become due immediately. In that event: (i) Elangperdana agrees not to contest any collection action undertaken by NHTSA or the United States pursuant to applicable law, including the Claims Collection Act and the U.S. Department of Transportation's regulations, 49 C.F.R. Part 89, either administratively or in any court, and (ii) Elangperdana affirmatively waives any and all

defenses or rights that would otherwise be available to it in any such proceeding. In addition, in such a proceeding, Elangperdana will pay the United States all reasonable costs of collection and enforcement, including attorneys' fees and expenses. This provision does not preclude Elangperdana from contesting the imposition of any of the Abeyance Amount in accordance with Paragraph 17 below.

14. Upon receipt of the Non-Deferred Amount and upon expiration of this Consent Order (including any extension), Elangperdana, including its current and former directors, officers, employees, agents, successors, and assigns will be deemed released from liability for civil penalties pursuant to 49 U.S.C. § 30165 in connection with any and all violations of the Safety Act or regulations thereunder relating to the 49 C.F.R. § 575.104 violations underlying this Consent Order.

15. Nothing in this Consent Order discharges Elangperdana from any obligation to comply with the Safety Act or regulations thereunder.

16. This Consent Order does not release Elangperdana from liability, if any, that may be asserted by the United States, the U.S. Department of Transportation, NHTSA, or any governmental entity, other than the civil penalty liability under 49 U.S.C. § 30165 as described in Paragraph 13.

Abeyance Amount

17. Should NHTSA reasonably believe Elangperdana has materially violated the Safety Act, regulations thereunder, or the terms of this Consent Order during the term of this Consent Order, NHTSA will provide written notice of the alleged violation(s) to Elangperdana, including a statement regarding the Abeyance Amount or the portion thereof that will be due if NHTSA makes a final determination in accordance with this Paragraph. Elangperdana will have thirty (30) calendar days, or such other time as mutually agreed by NHTSA and Elangperdana,

from the date on which the issue was communicated to Elangperdana by NHTSA (“Evaluation Period”) to respond to the notice in writing. Elangperdana’s response will provide its views, along with any supporting information and documentation. Should there be a reasonable dispute, the parties agree to reasonably discuss the alleged violation. If no mutually agreeable resolution is reached after discussion, and NHTSA subsequently and reasonably makes a final determination in writing that Elangperdana has materially violated the Safety Act, regulations thereunder, or the terms of this Consent Order during the term of this Consent Order, then Elangperdana will be liable for the Abeyance Amount or the portion thereof determined by NHTSA. The Abeyance Amount or portion thereof will be paid by Elangperdana in accordance with instructions from NHTSA within thirty (30) calendar days after NHTSA’s determination.

18. Elangperdana will only be liable for payment of the Abeyance Amount or portion thereof in accordance with the conditions in Paragraph 17. Elangperdana will be deemed released from liability for any portion of the Abeyance Amount remaining at the expiration of this Consent Order.

Written Policies Review and Update

19. Elangperdana will review its internal processes and written policies related to UTQG standards and update its policies to address compliance with 49 C.F.R. § 575.104. During the term of this Consent Order, Elangperdana will meet with NHTSA, either virtually or in person, every ninety (90) calendar days after the Effective Date of this Consent Order to discuss the progress of its update to its policies related to compliance with 49 C.F.R. § 575.104. If one or more such meetings fails to occur due to circumstances beyond Elangperdana’s control, the meeting omission will not be deemed a violation of this Consent Order by Elangperdana. Elangperdana will incorporate any reasonable feedback from NHTSA received in meetings with the agency regarding the update to its policies regarding its compliance with 49 C.F.R. §

575.104, and thereafter submit its final updated policies within eighteen (18) months after the Effective Date of this Consent Order.

III. TERM OF THE CONSENT ORDER

20. Unless otherwise specified, the term of the Consent Order is eighteen (18) months from the Effective Date of this Consent Order.

IV. AMENDMENT

21. This Consent Order cannot be modified, amended, or waived except by an instrument in writing signed by all parties, and no provision may be modified, amended, or waived other than by a writing setting forth such modification, amendment, or waiver.

22. The parties may agree, without need for an amendment as specified in Paragraph 21, to reasonable changes to specified report or meeting dates, schedules, or meeting cadences.

V. MISCELLANEOUS

23. Elangperdana must use its reasonable best efforts to take all actions and to do all things necessary to comply with this Consent Order, and to cooperate with NHTSA in carrying out the requirements of this Consent Order.

24. Nothing in this Consent Order may be interpreted or construed in a manner inconsistent with, or contravening, any federal law, rule, or regulation at the time of the execution of this Consent Order, or as amended thereafter.

25. The parties will each bear their own respective attorneys' fees, costs, and expenses, except as provided in Paragraph 13 above.

26. This Consent Order is effective upon its full execution by all individuals and parties listed as signatories below ("Effective Date"). Any breach of the obligations under this Consent Order may, at NHTSA's option, be immediately enforceable in any United States District Court. Elangperdana agrees that it will not raise any objection as to venue.

27. In the event of Elangperdana's breach of, or failure to perform, any term of this Consent Order, NHTSA reserves the right to pursue any and all appropriate administrative and/or judicial remedies, including, but not limited to, assessing interest for untimely civil penalty payments and/or commencing litigation to enforce this Consent Order in any United States District Court.

28. This Consent Order was negotiated and prepared by both NHTSA and Elangperdana. If any of the provisions in this Consent Order require a court's interpretation, no ambiguity will be construed against the drafter.

29. The parties who are the signatories to this Consent Order have the legal authority to enter into this Consent Order, and each party has authorized its undersigned to execute this Consent Order on its behalf.

30. In any legal action between the parties concerning the enforceability of this Consent Order, Elangperdana expressly waives any and all defenses and agrees not to plead, argue, or otherwise raise any defenses other than (i) that the payment of the Non-Deferred Amount set forth in Paragraph 11(a) was made, if applicable, and/or (ii) that Elangperdana has substantially complied with the Safety Act, regulations thereunder, and the terms of this Consent Order during the term of this Consent Order.

31. This Consent Order is binding upon, and inures to the benefit of, Elangperdana and its current and former directors, officers, employees, agents, parents, subsidiaries, affiliates, successors, and assigns. Elangperdana agrees to waive any and all defenses that may exist or arise in connection with any person or entity succeeding to the interests or obligations herein, including as a result of any changes to the corporate structure or relationships among or between Elangperdana and any of its parents, subsidiaries, or affiliates.

32. Should any condition or other provision contained herein be held invalid, void, or

illegal by any court of competent jurisdiction, it may be severed from the remainder of this Consent Order and will in no way affect, impair, or invalidate any other provision of this Consent Order.

33. This Consent Order does not create rights in, or grant any cause of action to, any third party not a party to this Consent Order.

34. This Consent Order may be executed in counterparts, each of which is effective as an original signature.

35. This Consent Order is a fully integrated agreement and will in all respects be interpreted, enforced, and governed under the federal law of the United States. This Consent Order, which is fully incorporated herein, sets forth the entire agreement between the parties with regard to the subject matter hereof. There are no promises, agreements, or conditions, express or implied, other than those set forth in this Consent Order.

[SIGNATURE PAGES FOLLOW]

APPROVED AND ORDERED:

NATIONAL HIGHWAY TRAFFIC SAFETY
ADMINISTRATION,
U.S. DEPARTMENT OF TRANSPORTATION

Dated: December 20, 2024

**SOPHIE M
SHULMAN** Digitally signed by
SOPHIE M SHULMAN
Date: 2024.12.20
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Sophie Shulman
Deputy Administrator

Dated: December 20, 2024

**ADAM
RAVIV** Digitally signed by
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Date: 2024.12.20
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Adam Raviv
Chief Counsel

Dated: December 20, 2024

**KERRY
ELIZABETH
KOLODZIEJ** Digitally signed by
KERRY ELIZABETH
KOLODZIEJ
Date: 2024.12.20
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Kerry Kolodziej
Assistant Chief Counsel for
Litigation and Enforcement

Dated: December 20, 2024

**ASHLEY
MONIQUE
SIMPSON** Digitally signed by
ASHLEY MONIQUE
SIMPSON
Date: 2024.12.20
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Ashley Simpson
Senior Trial Attorney

AGREED:

P.T. ELANGPERDANA TYRE INDUSTRY

Dated: 18/12/2024

By: _____

Dicky Mursalie
Director
P.T. Elangperdana Tyre Industry

Dated: 2/19/2024

By: _____

David M. Bonelli, Esq.
Venable LLP
Counsel to P.T. Elangperdana Tyre Industry