

§ 1054.635 What special provisions apply for small-volume engine and equipment manufacturers?

This section describes how we apply the special provisions in this part for small-volume engine and equipment manufacturers.

(a) If you qualify under paragraph (1) or (2) of the definition of small-volume engine manufacturer or under paragraph (1) or (2) of the definition of small-volume equipment manufacturer in §1054.801, the small-volume provisions apply as specified in this part.

(b) If you are a small business (as defined by the Small Business Administration at 13 CFR 121.201) that manufactures nonroad spark-ignition engines or equipment, but you do not qualify under paragraph (1) or (2) of the definition of small-volume engine manufacturer or under paragraph (1) or (2) of the definition of small-volume equipment manufacturer in §1054.801, you may ask us to designate you to be a small-volume engine or equipment manufacturer. You may do this whether you began manufacturing engines before, during, or after 2007. We may set other reasonable conditions that are consistent with the intent of this section and the Clean Air Act.

(c) Special provisions apply for small-volume engine and equipment manufacturers, as illustrated by the following examples:

(1) Additional lead time and other provisions related to the transition to new emission standards. See §1054.145.

(2) More flexible arrangements for creating engine families. See §1054.230.

(3) Assigned deterioration factors. See §1054.240.

(4) Waived requirements for production-line testing. See §1054.301.

(5) Streamlined certification provisions for equipment manufacturers relying on engine manufacturer's design parameters. See §1054.612.

(6) Additional allowances under the Transition Program for Equipment Manufacturers. See §1054.625.

(7) Additional special provisions apply for small-volume engine and equipment manufacturers under 40 CFR part 1068. For example, see 40 CFR 1068.250.

(d) Small-volume engine and equipment manufacturers may ask us to

waive or modify the requirements of §1054.690 if this would cause a serious economic hardship, as long as you demonstrate to us in some other way that you will meet any potential compliance-or enforcement-related obligations. In evaluating such a request, we would consider the extent to which there is a risk of noncompliance or nonconformity and the extent to which the manufacturer could be expected to fulfill future regulatory obligations and administrative judgments. We may also consider how many years the manufacturer has certified engines without a violation or a finding of noncompliance to determine whether to adjust applicable asset thresholds or to reduce the minimum bond value. We may set other reasonable conditions to ensure that the manufacturer will meet applicable requirements.

(e) If you use any of the provisions of this part that apply specifically to small-volume manufacturers and we find that you exceed the production limits or otherwise do not qualify as a small-volume manufacturer, we may consider you to be in violation of the requirements that apply for companies that are not small-volume manufacturers for those engines produced in excess of the specified production limits. If you no longer qualify as a small-volume engine manufacturer (based on increased production volumes or other factors), we will work with you to determine a reasonable schedule for complying with additional requirements that apply. For example, if you no longer qualify as a small-volume engine manufacturer shortly before you certify your engines for the next model year, we might allow you to use assigned deterioration factors for one more model year.

§ 1054.640 What special provisions apply to branded engines?

The following provisions apply if you identify the name and trademark of another company instead of your own on your emission control information label, as provided by §1054.135(c)(2):

(a) You must have a contractual agreement with the other company that obligates that company to take the following steps: