(2) A manufacturer may not sell credits that are not available for sale pursuant to the provisions in paragraphs (a)(2) and (a)(7) of this section.

(3) In the event of a negative credit balance resulting from a transaction, both the buyer and seller are liable, except in cases involving fraud. EPA may void ab initio the certificates of conformity of all engine families participating in such a trade.

(4)(i) If a manufacturer transfers a credit that it has not generated pursuant to paragraph (b) of this section or acquired from another party, the manufacturer will be considered to have generated a debit in the model year that the manufacturer transferred the credit. The manufacturer must offset such debits by the deadline for the annual report for that same model year.

(ii) Failure to offset the debits within the required time period will be considered a failure to satisfy the conditions upon which the certificate(s) was issued and will be addressed pursuant to paragraph (e) of this section.

(g) Interim non-Tier 2 NOX credits and debits; Interim non-Tier 2 averaging, banking and trading. Interim non-Tier 2 NOX credits must be generated, calculated, tracked, averaged, banked, traded, accounted for and reported upon separately from Tier 2 credits. The provisions of this section applicable to Tier 2 NOX credits and debits and Tier 2 averaging banking and trading are applicable to interim non-Tier 2 LDV/LLDTs and interim non-Tier 2 HLDT/MDPVs with the following exceptions:

(1) Provisions for early banking under paragraph (c) of this section do not apply.

(2) The fleet average NOX standard used for calculating credits is 0.30 grams per mile for interim non-Tier 2 LDV/LLDTs and 0.20 g/mi for interim non-Tier 2 HLDT/MDPVs. (The interim non-Tier 2 NOX standard of 0.30 (or 0.20) g/mi replaces 0.07 in the text and calculation in this section.)

(3) Interim non-Tier 2 NOX credit deficits may be carried forward for three years subject to the requirements of §86.1860–04(e).

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§ 86.1863–07 Chassis certification for diesel vehicles.

(a) A manufacturer may optionally certify heavy-duty diesel vehicles 14,000 pounds GVWR or less to the standards specified in §86.1816. Such vehicles must meet all the requirements of this subpart S that are applicable to Otto-cycle vehicles, except for evaporative, refueling, and OBD requirements where the diesel-specific OBD requirements would apply.

(b) For OBD, diesel vehicles optionally certified under this section are subject to the OBD requirements of §86.1806.

(c) Diesel vehicles certified under this section may be tested using the