

grows to the point that you no longer qualify as a small-volume engine manufacturer, 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.

**§ 1045.640 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 § 1045.135(c)(2):

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

(1) Meet the emission warranty requirements that apply under § 1045.120. This may involve a separate agreement involving reimbursement of warranty-related expenses.

(2) Report all warranty-related information to the certificate holder.

(b) In your application for certification, identify the company whose trademark you will use.

(c) You remain responsible for meeting all the requirements of this chapter, including warranty and defect-reporting provisions.

**§ 1045.645 What special provisions apply for converting an engine to use an alternate fuel?**

A certificate of conformity is no longer valid for an engine if the engine is modified such that it is not in a configuration covered by the certificate. This section applies if such modifications are done to convert the engine to run on a different fuel type. Such engines may need to be recertified as specified in this section if the certificate is no longer valid for that engine.

(a) Converting a certified new engine to run on a different fuel type violates 40 CFR 1068.101(a)(1) if the modified engine is not covered by a certificate of conformity.

(b) Converting a certified engine that is not new to run on a different fuel

type violates 40 CFR 1068.101(b)(1) if the modified engine is not covered by a certificate of conformity. We may specify alternate certification provisions consistent with the requirements of this part. For example, you may certify the modified engine for a partial useful life. For example, if the engine is modified halfway through its original useful life period, you may generally certify the engine based on completing the original useful life period; or if the engine is modified after the original useful life period is past, you may generally certify the engine based on testing that does not involve further durability demonstration.

(c) Engines may be certified using the certification procedures for new engines as specified in this part or using the certification procedures for aftermarket parts as specified in 40 CFR part 85, subpart V. Unless the original engine manufacturer continues to be responsible for the engine as specified in paragraph (d) of this section, you must remove the original engine manufacturer's emission control information label if you recertify the engine.

(d) The original manufacturer is not responsible for operation of modified engines in configurations resulting from modifications performed by others. In cases where the modification allows an engine to be operated in either its original configuration or a modified configuration, the original manufacturer remains responsible for operation of the modified engine in its original configuration.

(e) Entities producing conversion kits may obtain certificates of conformity for the converted engines. Such entities are engine manufacturers for purposes of this part.

**§ 1045.650 Do delegated-assembly provisions apply for marine engines?**

The provisions of 40 CFR 1068.261 related to delegated final assembly do not apply for marine spark-ignition engines certified under this part 1045. This means that for engines requiring exhaust aftertreatment (such as catalyts), the engine manufacturers must either install the aftertreatment on the engine before introducing it into

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U.S. commerce or ship the aftertreatment along with the engine.

### **§ 1045.655 What special provisions apply for installing and removing altitude kits?**

An action for the purpose of installing or modifying altitude kits and performing other changes to compensate for changing altitude is not considered a prohibited act under 40 CFR 1068.101(b) as long as it is done consistent with the manufacturer's instructions.

### **§ 1045.660 How do I certify outboard or personal watercraft engines for use in jet boats?**

(a) This section describes how to certify outboard or personal watercraft engines for use in jet boats. To be certified under this section, the jet boat engines must be identical in all physical respects to the corresponding outboard or personal watercraft engines, but may differ slightly with respect to engine calibrations.

(b) The outboard or personal watercraft engines must meet all the applicable requirements for outboard or personal watercraft engines. Jet boat engines certified under this section must meet all the applicable requirements for sterndrive/inboard engines.

(c) The jet boat engines must be in an engine family separate from the corresponding outboard or personal watercraft engines.

(d) Jet boat engine families may use emission credits from outboard or personal watercraft engine families, as described in §1045.701(d).

(e) Jet-boat engines certified under the provisions of this section must meet emission standards over the same useful-life period that applies to the corresponding outboard or personal watercraft engine family, as described in §1045.103(e).

## **Subpart H—Averaging, Banking, and Trading for Certification**

### **§ 1045.701 General provisions.**

(a) You may average, bank, and trade (ABT) emission credits for purposes of certification as described in this subpart to show compliance with the

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standards of this part. This applies for engines with respect to exhaust emissions and for vessels with respect to evaporative emissions. Participation in this program is voluntary.

(b) The definitions of subpart I of this part apply to this subpart. The following definitions also apply:

(1) *Actual emission credits* means emission credits you have generated that we have verified by reviewing your final report.

(2) *Averaging set* means a set of engines (or vessels) in which emission credits may be exchanged only with other engines (or vessels) in the same averaging set.

(3) *Broker* means any entity that facilitates a trade of emission credits between a buyer and seller.

(4) *Buyer* means the entity that receives emission credits as a result of a trade.

(5) *Family* means engine family for exhaust credits or emission family for evaporative credits.

(6) *Reserved emission credits* means emission credits you have generated that we have not yet verified by reviewing your final report.

(7) *Seller* means the entity that provides emission credits during a trade.

(8) *Standard* means the emission standard that applies under subpart B of this part for engines or fuel-system components not participating in the ABT program of this subpart.

(9) *Trade* means to exchange emission credits, either as a buyer or seller.

(c) You may not average or exchange banked or traded exhaust credits with evaporative credits, or vice versa. Evaporative credits generated by any vessels under this part may be used by any vessels under this part. Exhaust credits may be exchanged only within an averaging set. Except as specified in paragraph (d) of this section, the following criteria define the applicable exhaust averaging sets:

(1) Sterndrive/inboard engines.

(2) Outboard and personal watercraft engines.

(d) Sterndrive/inboard engines certified under §1045.660 for jet boats may use HC + NO<sub>x</sub> and CO exhaust credits generated from outboard and personal watercraft engines, as long as the credit-using engine is the same model as an