

§ 1051.640 What special provisions apply for custom off-highway motorcycles that are similar to highway motorcycles?

You may ask to exempt custom-designed off-highway motorcycles that are substantially similar to highway motorcycles under the display exemption provisions of 40 CFR 86.407-78(c). Motorcycles exempt under this provision are subject to the restrictions of 40 CFR 86.407-78(c) and are considered to be motor vehicles for the purposes of this part 1051.

[69 FR 2445, Jan. 15, 2004]

Subpart H—Averaging, Banking, and Trading for Certification

§ 1051.701 General provisions.

(a) You may average, bank, and trade emission credits for purposes of certification as described in this subpart to show compliance with the standards of this part. To do this you must show that your average emission levels are below the applicable standards in subpart B of this part, or that you have sufficient credits to offset a credit deficit for the model year (as calculated in §1051.720). If you cannot show in your end-of-year report that your average emission levels are below the applicable standards in subpart B of this part, or that you have sufficient credits to offset a credit deficit for the model year, we may void the certificates for all families certified to FELs above the allowable average. (b) The following averaging set restrictions apply:

(1) You may not average together engine families that are certified to different standards. You may, however, use banked credits that were generated relative to different standards, except as prohibited by paragraphs (b)(2) and (3) of this section, paragraph (e) of this section, or by other provisions in this part. For example, you may not average together within a model year off-highway motorcycles that are certified to the standards in §1051.105(a)(1) and §1051.105(a)(2); but you may use banked credits generated by off-highway motorcycles that are certified to the standards in §1051.105(a)(1) to show compliance with the standards in

§1051.105(a)(2) in a later model year, and vice versa.

(2) There are separate averaging, banking, and trading programs for snowmobiles, ATVs, and off-highway motorcycles. You may not average or exchange banked or traded credits from engine families of one type of vehicle with those from engine families of another type of vehicle.

(3) You may not average or exchange banked or traded credits with other engine families if you use fundamentally different measurement procedures for the different engine families (for example, ATVs certified to chassis-based vs. engine-based standards). This paragraph (b)(3) does not restrict you from averaging together engine families that use test procedures that we determine provide equivalent emission results.

(4) You may not average or exchange banked or traded exhaust credits with evaporative credits, or vice versa.

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

(1) *Average standard* means a standard that allows you comply by averaging all your vehicles under this part. See subpart B of this part to determine which standards are average standards.

(2) *Broker* means any entity that facilitates a trade between a buyer and seller.

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

(4) *Family emission limit (FEL)* has the meaning given in it in §1051.801.

(5) *Reserved credits* means credits you have generated that we have not yet verified in reviewing the end-of-year report.

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

(d) Do not include any exported vehicles in the certification averaging, banking, and trading program. Include only vehicles certified under this part.

§ 1051.705 How do I average emission levels?

(a) As specified in subpart B of this part, certify each vehicle to a family emission limit (FEL).

(b) Calculate a preliminary average emission level according to §1051.720