

Environmental Protection Agency

§ 82.20

§ 82.19 Apportionment of baseline consumption allowances for class II controlled substances.

line consumption allowances for HCFC-141b, HCFC-22, or HCFC-142b as set forth in the following table:

(a) Effective January 1, 2003, the following persons are apportioned base-

Person	Controlled substance	Allowances (kg)
ABCO Refrigeration Supply	HCFC-22	279,366
Air Systems	HCFC-22	13,514
Allied (Honeywell)	HCFC-22	35,392,492
	HCFC-141b	20,749,489
	HCFC-142b	1,315,819
Altair Industries	HCFC-22	279,935
Ausimont USA	HCFC-22	99,643
	HCFC-142b	3,047,386
Automatic Equipment Sales of VA	HCFC-22	54,088
Condor Products	HCFC-22	666,171
Continental	HCFC-141b	20,315
Discount Refrigerants	HCFC-22	375,328
	HCFC-141b	994
DuPont Company	HCFC-22	38,814,862
	HCFC-141b	9,049
	HCFC-142b	52,797
Elf Atochem (ATOFINA)	HCFC-22	29,524,481
	HCFC-141b	25,405,570
	HCFC-142b	16,672,675
Full Circle	HCFC-22	14,865
HG Refrigeration Supply	HCFC-22	40,068
ICC Chemical Corp.	HCFC-141b	81,225
ICI Americas (INEOS)	HCFC-22	2,546,305
Kivlan & Co. (Dynatemp)	HCFC-22	2,028,980
Klomar Ship Supply	HCFC-22	8,585
LaRoche Industries	HCFC-141b	16,097,869
MDA Manufacturing	HCFC-22	2,541,545
Mondy-Global	HCFC-22	281,824
National Refrigerants	HCFC-22	5,480,315
Refricenter of Miami	HCFC-22	381,293
Refricentro	HCFC-22	45,979
Rhone-Poulenc	HCFC-22	52,090
R-Lines	HCFC-22	63,172
Saez	HCFC-22	37,936
Solvay Fluorides	HCFC-22	313,966
	HCFC-141b	3,940,115
TESCO Distributors	HCFC-22	48,049
Tulstar Products	HCFC-141b	89,913

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§ 82.20 Availability of consumption allowances in addition to baseline consumption allowances for class II controlled substances.

(1) The exporter must submit to the Administrator a request for consumption allowances setting forth the following:

(a) A person may obtain at any time during the control period, in accordance with the provisions of this section, consumption allowances equivalent to the quantity of class II controlled substances that the person exported from the U.S. and its territories to a foreign state, in accordance with this section, when that quantity of class II controlled substance was produced in the U.S. with expended consumption allowances.

(i) The identities and addresses of the exporter and the recipient of the exports;

(ii) The exporter's Employer Identification Number;

(iii) The names and telephone numbers of contact persons for the exporter and the recipient;

(iv) The quantity (in kilograms) and type of class II controlled substances reported;

(v) The source of the class II controlled substances and the date purchased;

(vi) The date on which, and the port from which, the class II controlled substances were exported from the U.S. or its territories;

(vii) The country to which the class II controlled substances were exported;

(viii) A copy of the bill of lading and the invoice indicating the net quantity (in kilograms) of class II controlled substances shipped and documenting the sale of the class II controlled substances to the purchaser;

(ix) The commodity codes of the class II controlled substances reported; and

(x) A written statement from the producer that the class II controlled substances were produced with expended allowances.

(2) The Administrator will review the information and documentation submitted under paragraph (a)(1) of this section and will issue a notice.

(i) The Administrator will determine the quantity of class II controlled substances that the documentation verifies was exported and issue consumption allowances equivalent to the quantity of class II controlled substances that were exported.

(A) The grant of the consumption allowances will be effective on the date the notice is issued.

(B) The consumption allowances will be granted to the person the exporter indicates, whether it is the producer or the exporter.

(ii) The Administrator will issue a notice that the consumption allowances are not granted if the Administrator determines that the information and documentation do not satisfactorily substantiate the exporter's claims.

(b) *International trades of consumption allowances.* (1) A person may increase its consumption allowances for a specified control period through trades with another Party to the Protocol as set forth in this paragraph (b). A person may only receive consumption from Poland or Norway, or both, and only if the nation agrees to trade to the person for the current control period some quantity of consumption that the nation is permitted under the Montreal Protocol.

(2) Trade from a Party—Information requirements. A person must submit the following information to the Administrator:

(i) A signed document from the principal diplomatic representative in the Polish or Norwegian embassy in the U.S. stating that the appropriate authority within that nation will establish or revise consumption limits for the nation to equal the lowest of the following three consumption quantities:

(A) The maximum consumption that the nation is allowed under the Protocol minus the quantity (in kilograms) traded;

(B) The maximum consumption that is allowed under the nation's applicable domestic law minus the quantity (in kilograms) traded; or

(C) The average of the nation's actual consumption level for the three years prior to the trade minus the consumption traded.

(ii) A person requesting a consumption trade from Poland or Norway must also submit to the Administrator a true copy of the document that sets forth the following:

(A) The identity and address of the person;

(B) The identity of the Party;

(C) The names and telephone numbers of contact persons for the person and for the Party;

(D) The chemical type and quantity (in kilograms) of consumption being traded;

(E) Documentation that the Party possesses the necessary quantity of unexpended consumption rights;

(F) The control period(s) to which the trade applies; and

(3) *Notice of trade.* If the request meets the requirement of paragraph (b)(2) of this section for trades from Parties, the Administrator will issue the person a notice. The notice will grant consumption allowances and specify the control period to which the trade applies. The Administrator may disapprove the trade request if it does not meet the requirements of paragraph (b)(2) of this section.

(4) *Trade from a Party.* The Administrator will issue a notice revising the allowances held by the recipient of the

trade to equal the unexpended consumption allowances held by the recipient of the trade under this subpart plus the quantity of allowable consumption traded from the Party.

(5) *Effective date of revised consumption limits.* The change in consumption allowances will be effective on the date that the notice is issued.

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§§ 82.21–82.22 [Reserved]

§ 82.23 Transfers of allowances of class II controlled substances.

(a) *Inter-company transfers.* Effective January 1, 2003, a person (“transferor”) may transfer to any other person (“transferee”) any quantity of the transferor’s class II consumption allowances, production allowances, export production allowances, or Article 5 allowances for the same type of allowance as follows:

(i) The transferor must submit to the Administrator a transfer claim setting forth the following:

(A) The identities and addresses of the transferor and the transferee;

(B) The name and telephone numbers of contact persons for the transferor and the transferee;

(C) The type of allowances being transferred, including the names of the class II controlled substances for which allowances are to be transferred;

(D) The quantity (in kilograms) of allowances being transferred;

(E) The control period(s) for which the allowances are being transferred;

(F) The quantity of unexpended allowances of the type and for the control period being transferred that the transferor holds under authority of this subpart on the date the claim is submitted to EPA; and

(G) For trades of consumption allowances, production allowances, export production allowances, or Article 5 allowances, the quantity of the 0.1 percent offset applied to the unweighted quantity traded that will be deducted from the transferor’s allowance balance.

(ii) The Administrator will determine whether the records maintained by EPA indicate that the transferor possesses unexpended allowances sufficient to cover the transfer claim on the

date the transfer claim is processed. The transfer claim is the quantity (in kilograms) to be transferred plus, in the case of transfers of production or consumption allowances, 0.1 percent of that quantity. The Administrator will take into account any previous transfers, any production, and allowable imports and exports of class II controlled substances reported by the transferor. Within three working days of receiving a complete transfer claim, the Administrator will take action to notify the transferor and transferee as follows:

(A) The Administrator will issue a notice indicating that EPA does not object to the transfer if EPA’s records show that the transferor has sufficient unexpended allowances to cover the transfer claim. In the case of transfers of production or consumption allowances, EPA will reduce the transferor’s balance of unexpended allowances by the quantity to be transferred plus 0.1 percent of that quantity. In the case of transfers of export production or Article 5 allowances, EPA will reduce the transferor’s balance of unexpended allowances, respectively, by the quantity to be transferred. The transferor and the transferee may proceed with the transfer when EPA issues a no objection notice. However, if EPA ultimately finds that the transferor did not have sufficient unexpended allowances to cover the claim, the transferor and transferee, where applicable, will be held liable for any knowing violations of the regulations of this subpart that occur as a result of, or in conjunction with, the improper transfer.

(B) The Administrator will issue a notice disallowing the transfer if EPA’s records show that the transferor has insufficient unexpended allowances to cover the transfer claim, or that the transferor has failed to respond to one or more Agency requests to supply information needed to make a determination. Either party may file a notice of appeal, with supporting reasons, with the Administrator within 10 working days after receipt of notification. The Administrator may affirm or vacate the disallowance. If no appeal is taken by the tenth working day after notification, the disallowance shall be final on that day.