

§ 534.3 Definitions.

(a) *Statutory definitions and terms.* All terms used in 49 U.S.C. Chapter 329 are used according to their statutory meaning.

(b) As used in this part—

“Control relationship” means the relationship that exists between manufacturers that control, are controlled by, or are under common control with, one or more other manufacturers.

“Predecessor” means a manufacturer whose rights have been vested in and whose burdens have been assumed by another manufacturer.

“Successor” means a manufacturer that has become vested with the rights and assumed the burdens of another manufacturer.

§ 534.4 Successors and predecessors.

For purposes of the automotive fuel economy program, “manufacturer” includes “predecessors” and “successors” to the extent specified in paragraphs (a) through (d) of this section.

(a) Successors are responsible for any civil penalties that arise out of fuel economy shortfalls incurred and not satisfied by predecessors.

(b) If one manufacturer has become the successor of another manufacturer during a model year, all of the vehicles produced by those manufacturers during the model year are treated as though they were manufactured by the same manufacturer. A manufacturer is considered to have become the successor of another manufacturer during a model year if it is the successor on September 30 of the corresponding calendar year and was not the successor for the preceding model year.

(c) Credits earned by a predecessor may be used by a successor, subject to availability of the credits and the general three-year restriction on carrying credits forward and the general three-year restriction on carrying credits backward.

(d) Credits earned by a successor may be used to offset a predecessor's shortfall, subject to availability of the credits and the general three-year restriction on carrying credits backward.

§ 534.5 Manufacturers within control relationships.

(a) If a civil penalty arises out of a fuel economy shortfall incurred by a group of manufacturers within a control relationship, each manufacturer within that group is jointly and severally liable for the civil penalty.

(b) A manufacturer is considered to be within a control relationship for an entire model year if and only if it is within that relationship on September 30 of the calendar year in which the model year ends.

(c) Credits of a manufacturer within a control relationship may be used by the group of manufacturers within the control relationship to offset shortfalls, subject to the agreement of the other manufacturers, the availability of the credits, and the general three-year restriction on carrying credits forward or backward.

(d) If a manufacturer within a group of manufacturers is sold or otherwise spun off so that it is no longer within that control relationship, the manufacturer may use credits that were earned by the group of manufacturers within the control relationship while the manufacturer was within that relationship, subject to the agreement of the other manufacturers, the availability of the credits and the general restriction on carrying credits forward or backward.

(e) Agreements among manufacturers in a control relationship related to the allocation of credits or liabilities addressed by this section shall be filed with the agency within 60 days of the end of each model year in the same form as specified in section 534.6. The manufacturers may seek confidential treatment for information provided in the certified report in accordance with 49 CFR Part 512.

§ 534.6 Reporting corporate transactions.

Manufacturers who have entered into written contracts transferring rights and responsibilities such that a different manufacturer owns the controlling stock or exerts control over the design, production or sale of automobiles to which a Corporate Average Fuel Economy standard applies shall report the contract to the agency as follows: