

(6) Oral argument may be permitted in the discretion of the Presiding Officer and shall be reported as part of the record unless otherwise ordered by him/her.

(f)(1) The Presiding Officer shall make an initial decision which shall include written findings and conclusions and the reasons or basis therefor on all the material issues of fact, law, or discretion presented on the record. The findings, conclusions, and written decision shall be provided to the parties and made a part of the record. The initial decision shall become the decision of the Administrator without further proceedings unless there is an appeal to the Administrator or motion for review by the Administrator within 30 days of the date the initial decision was filed.

(2) On appeal from or review of the initial decision the Administrator shall have all the powers which he/she would have in making the initial decision including the discretion to require or allow briefs, oral argument, the taking of additional evidence or the remanding to the Presiding Officer for additional proceedings. The decision by the Administrator shall include written findings and conclusions and the reasons or basis therefor on all the material issues of fact, law, or discretion presented on the appeal or considered in the review.

[63 FR 18998, Apr. 16, 1998, as amended at 70 FR 40456, July 13, 2005]

EFFECTIVE DATE NOTE: At 63 FR 19053, Apr. 16, 1998, § 92.216 was added. This section contains information collection and record-keeping requirements and will not become effective until approval has been given by the Office of Management and Budget.

Subpart D—Certification Averaging, Banking, and Trading Provisions

§ 92.301 Applicability.

Locomotive engine families subject to the provisions of subpart A of this part are eligible to participate in the certification averaging, banking, and trading program described in this subpart. The provisions of this subpart apply to manufacturers and remanufacturers of new locomotives and new locomotive engines manufactured or re-

manufactured in the 1999 model year or later.

§ 92.302 Definitions.

The definitions of subpart A of this part apply to this subpart. The following definitions also apply.

Applicable standard means a standard that would have otherwise been applicable had the locomotive or locomotive engine not been certified under this subpart to an FEL different than that standard.

Broker means any entity that facilitates a trade between a buyer and seller.

Buyer means the entity that receives credits as a result of trade or transfer.

Reserved credits means credits that have been generated but have not yet been reviewed by EPA or used to demonstrate compliance under the averaging provisions of this subpart.

Seller means the entity that provides credits during a trade or transfer.

Transfer means to convey control of credits generated from an individual locomotive to the purchaser, owner or operator of the locomotive at the time of manufacture or remanufacture; or to convey control of previously generated credits from the purchaser, owner or operator of an individual locomotive to the manufacturer or remanufacturer at the time of manufacture or remanufacture.

§ 92.303 General provisions.

(a) Participation in the averaging, banking and trading program is voluntary. A manufacturer or remanufacturer may choose to involve some or all of its families in any or all aspects of the program.

(b) An engine family is eligible to participate in the certification averaging, banking, and trading program for NO_x and PM emissions if it is subject to regulation under this part with certain exceptions specified in paragraph (c) of this section. No averaging, banking and trading program is available for meeting the HC, CO, or smoke emission standards of this part.

(c) Locomotives and locomotive engines may not participate in the certification averaging, banking, and trading program if they are exported.

§ 92.304

40 CFR Ch. I (7-1-07 Edition)

Only locomotive and locomotive engines certified under this part are eligible for inclusion in this certification averaging, banking, and trading program.

(d) Averaging involves the generation of credits by a manufacturer or remanufacturer for use by that same manufacturer or remanufacturer in the same calendar year. A manufacturer or remanufacturer may use averaging during certification to offset an emission exceedance of an engine family caused by an FEL above the applicable emission standard, subject to the provisions of this subpart.

(e) Banking involves the generation of credits by a manufacturer or remanufacturer in a given calendar year for use in a subsequent model year. A manufacturer or remanufacturer may bank actual credits only after the end of the calendar year and after EPA has reviewed the manufacturer's or remanufacturer's end-of-year reports. During the calendar year and before submittal of the end-of-year report, credits originally designated in the certification process for banking will be considered reserved and may be re-designated for trading or averaging in the end-of-year report. Credits declared for banking from the previous calendar year that have not been reviewed by EPA may be used in averaging or trading transactions. However, such credits may be revoked at a later time following EPA review of the end-of-year report or any subsequent audit actions.

(f) Trading involves the sale of banked credits for use in certification of new locomotives and new locomotive engines under this part. Only banked credits may be traded; reserved credits may not be traded.

(g) Credit transfer involves the conveying of control over credits, as defined in § 92.302. Transferred credits can be used in averaging or in subsequent transfers. Transferred credits may also be reserved for later banking. Transferred credits may not be traded unless they have been previously banked.

§ 92.304 Compliance requirements.

(a) Manufacturers or remanufacturers wishing to participate in certification averaging, banking and trading programs shall select a FEL for each

engine family they wish to include. The level of the FEL shall be selected by the manufacturer or remanufacturer, subject to the upper limits described in paragraph (k) of this section. An engine family certified to an FEL is subject to all provisions specified in this part, except that the applicable FEL replaces the applicable NO_x and PM emission standard for the family participating in the averaging, banking, and trading program.

(b) A manufacturer or remanufacturer may certify one or more engine families at FELs above or below the applicable emission standard, provided the summation of the manufacturer's or remanufacturer's projected balance of all credit transactions in a given calendar year is greater than or equal to zero, as calculated for each family under § 92.305 and reported under § 92.309.

(c) Manufacturers and remanufacturers certifying engine families with FELs exceeding the applicable emission standard shall obtain emission credits in amounts sufficient to address the shortfall. Credits may be obtained from averaging, banking, trading or transfer, subject to the restrictions described in this subpart.

(d) Manufacturers and remanufacturers certifying engine families with FELs below the applicable emission standard may generate emission credits to average, bank, trade, or transfer, or a combination thereof.

(e) Credits may only be used for certification; they may not be used to remedy a violation of the FEL determined by production line or in-use testing. Credits may be used to allow subsequent production of engines for an engine family failing production line testing if the manufacturer elects to recertify to a higher FEL.

(f) If an FEL is changed after initial certification in any given model year, the manufacturer/remanufacturer must conduct production line testing to verify that the emission levels are achieved.

(g) Manufacturers and remanufacturers participating in the averaging, banking and trading program must demonstrate compliance with the applicable emission standards at the end of the model year. Manufacturers and