

§ 1042.660

40 CFR Ch. I (7–1–08 Edition)

compliance with applicable certification requirements for international safety. We may set appropriate additional conditions on such exemptions, and may void the exemption if those conditions are not met.

§ 1042.660 Requirements for vessel manufacturers, owners, and operators.

(a) The provisions of 40 CFR part 94, subpart K, apply to manufacturers, owners, and operators of marine vessels that contain Category 3 engines subject to the provisions of 40 CFR part 94, subpart A.

(b) For vessels equipped with emission controls requiring the use of specific fuels, lubricants, or other fluids, owners and operators must comply with the manufacturer/remanufacturer's specifications for such fluids when operating the vessels. Failure to comply with the requirements of this paragraph is a violation of 40 CFR 1068.101(b)(1).

(c) For vessels equipped with SCR systems requiring the use of urea or other reductants, owners and operators must report to us within 30 days any operation of such vessels without the appropriate reductant. Failure to comply with the requirements of this paragraph is a violation of 40 CFR 1068.101(a)(2).

Subpart H—Averaging, Banking, and Trading for Certification

§ 1042.701 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 standards of this part. Participation in this program is voluntary.

(b) The definitions of subpart J 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) *Applicable emission standard* means an emission standard that is specified in subpart B of this part. Note that for other subparts, "applicable emission standard" is defined to also include FELs.

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

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

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

(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 not participating in the ABT program of this subpart.

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

(c) Emission credits may be exchanged only within an averaging set. Except as specified in paragraph (d) of this section, the following criteria define the applicable averaging sets:

(1) Recreational engines.

(2) Commercial Category 1 engines.

(3) Category 2 engines.

(d) Emission credits generated by commercial Category 1 engine families may be used for compliance by Category 2 engine families. Such credits must be discounted by 25 percent.

(e) You may not use emission credits generated under this subpart to offset any emissions that exceed an FEL or standard. This applies for all testing, including certification testing, in-use testing, selective enforcement audits, and other production-line testing. However, if emissions from an engine exceed an FEL or standard (for example, during a selective enforcement audit), you may use emission credits to recertify the engine family with a higher FEL that applies only to future production.

(f) Engine families that use emission credits for one or more pollutants may not generate positive emission credits for another pollutant.

(g) Emission credits may be used in the model year they are generated or in future model years. Emission credits may not be used for past model years.