



## **EPA COMPLIANCE GUIDELINES FOR EQUIPMENT SALE, REPAIRS AND TRADE**

### **New Engines**

Dealers selling new engines are treated the same as manufacturers under Environmental Protection Act (EPA) regulations. This means that dealers of new engines are held to the same standards as manufacturers under the Clean Air Act (CAA). New engines produced and sold must meet strict emissions standards set forth in the CAA. The potential penalty for selling a new engine that does not conform to the emissions regulations are severe. The penalty can run up to \$44,539 for each piece of equipment in violation. In order to avoid these penalties, we suggest the following:

- **Verify that each motor is covered by a Certificate of Conformity (COC).**

The CAA prohibits manufacturers and dealers from distributing into commerce, selling, offering for sale, or delivering for introduction into commerce any new motors manufactured (after the effective date listed below) unless the motor is covered by a certificate of conformity (COC).

If for some reason a new engine comes into your dealership that does not comply with the regulations or does not have the COC, you must ensure it is compliant, has the proper COC as well as any other required labels or tags before it is sold.

- **For new equipment there should be a label or tag signifying the COC on the engine or part.**

- **Do not alter or “improve” the new motor in any way prior to sale.**

Keep in mind that any removal or addition of a device or part that would affect emissions on an engine would result in a violation. The penalty for each part found to impair, disable, or defeat emission control can run up to \$4,454.



### **Trade-Ins**

The CAA doesn't address trade-in recipients explicitly, however the regulation for defeat devices are still applicable. Upon reception of a trade-in or prior to executing a trade, we recommend the following:

- **Do a review of the engine and ensure that there haven't been any defeat devices or other items used to impair, disable, or bypass emissions control installed.**

- **Consider utilizing an EPA compliance form for potential trade-in customers.**

Ask the trade-in customer to attest that:

- o The equipment they are selling is in compliance with EPA regulations; and/or
- o That it has not been modified to violate EPA regulations from its original purchased state;
- o That they will indemnify the dealer for any claims arising from the resale of the equipment (if permitted/advisable in your state).

- **In order to avoid penalties and maintain reputable standards, make sure all used engines sold also comply with CAA regulations.**

A dealer can sell a trade-in with a defeat device installed but the value of the equipment will be less because of the need for someone to fix that problem or face penalties if the equipment is non-compliant.

## Maintenance of Engines

When it comes to performing maintenance and repairs on engines, emission control regulations still apply. The CAA has specific regulations regarding maintenance and repair. In order to comply with these regulations and avoid penalties, we suggest the following:

- **The best practice is always to try to keep the engine in the same condition it was from the factory. Tampering with emissions systems is illegal.**

Any different or “upgraded” parts may affect emissions and can be a violation.

- **It is recommended that any change or substitution of parts are supported by documentation to verify that the change will not affect emissions. Dealers should keep records to demonstrate compliance.**

Records should include:

- o Description of the repair;
- o Description of the parts which were removed; and
- o Description of the EPA compliant replacement or substitution.

- **Like with new engines, any device or part that is used which may impair, defeat, or disable emission control are strictly prohibited.**

- **If there is an emissions label on any device or part, it needs to remain intact and up to date with accurate information.**

These labels cannot be removed or altered. If the part they are on needs to be replaced, you must get a duplicate of the original label installed by the certifying manufacturer or another authorized person. Typically, these labels are permanently attached to parts that normally don't need replaced.

- **Installing any defeat devices, bypassing or tampering with emissions systems is illegal.**

The potential penalty for installing or failing to remove a defeat device during maintenance could be severe. The penalty can run up to \$44,539 for each piece of equipment in violation.



### Presented by members of the Industry Relations Task Force (IRTF)



Please note that this handout is a general summary prepared by EDA's General Counsel, Natalie Higgins, to give guidance on the topic of EPA compliance. It does not attempt to cover your specific situation or detail all potential situations. Before determining a course of action, we encourage you to review this with the attorney of your choice for a specific assessment of your situation.