
40 C.F.R. § 1054.690

What bond requirements apply for certified engines?

This section generally applies for certifying engine manufacturers. It also applies to importers that do not certify engines as described in paragraph (j) of this section.

- (a) Before introducing certified engines into U.S. commerce, you must post a bond to cover any potential compliance or enforcement actions under the Clean Air Act with respect to engines certified under this part unless you demonstrate to us in your application for certification that you are able to meet any potential compliance- or enforcement-related obligations, as described in this section. Note that you might also need to post bond under this section to meet your obligations under § 1054.120(f).
- (b) The bonding requirements apply if you do not have long-term assets in the United States meeting any of the following thresholds:
- (1) A threshold of \$3 million applies if you have been a certificate holder in each of the preceding ten years without failing a test conducted by EPA officials or having been found by EPA to be noncompliant under applicable regulations.
 - (2) A threshold of \$6 million applies if you are a secondary engine manufacturer.
 - (3) A threshold of \$10 million applies if you do not qualify for the smaller bond thresholds in paragraph (b)(1) or (2) of this section.
- (c) For the purpose of establishing your level of long-term assets under paragraph (b) of this section, include the values from your most recent balance sheet for buildings, land, and fixed equipment, but subtract depreciation and related long-term liabilities (such as a mortgage). If you have sufficient long-term assets to avoid bond payments under this section, you must identify the location of these assets in your application for certification.

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