



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
NATIONAL VEHICLE AND FUEL EMISSIONS LABORATORY
2565 PLYMOUTH ROAD
ANN ARBOR, MICHIGAN 48105-2498

OFFICE OF
AIR AND RADIATION

CISD-10-16 (Marine SI, Nonroad SI Evap)

August 24, 2010

SUBJECT: Submission of Intent to Participate in Diurnal Transition Program

Dear Manufacturer

On October 8, 2008, EPA finalized evaporative emissions standards for marine vessels (40 CFR Part 1045). These requirements take effect July 31, 2011 and require vessel manufacturers to substantially reduce the amount of diurnal (daily) emissions that escape through vessels' fuel tank systems. Some technologies that vessel manufacturers may use to meet EPA's diurnal requirements include installation of either a carbon canister or a pressure relief valve in line with the fuel tank vent.

Included in the 40 CFR 1045 regulations is a Diurnal Transition Program which allows vessel manufacturers a phase-in period to produce a specified number of vessels that are exempt from diurnal emissions requirements. The details in the regulations can be found in 40 CFR §1045.625. Vessel manufacturers can choose from the following options to produce exempted vessels:

Percent-of-production allowances: From July 31, 2011 through July 31, 2012, vessel manufacturers may produce up to 50 percent of their vessels that are exempt from the diurnal emission standards. Beginning August 1, 2012, *all* installed marine fuel tanks and vessels must meet the diurnal emission standard.

Small-volume allowances: From July 31, 2011 until July 31, 2013, small-volume vessel manufacturers may produce up to 1,200 vessels that are exempt from the diurnal emission standards. A small volume vessel manufacturer is defined in 40 CFR Part 1045.801 as a vessel manufacturer with 500 or fewer employees, where the number of employees includes employees working for a parent company and all of its subsidiaries.

Per 40 CFR Part 1045.625(c), vessel manufacturers must place an allowance label on **each** exempted vessel. Vessel manufacturers must also maintain a detailed record of the number of exempted vessels they produce. Per 40 CFR Part 1045.625(d)(2), each vessel manufacturer will be required to submit a written report or reports to EPA detailing the allowances used.

A vessel manufacturer must send EPA written notification of its intent to use either the percent-of-production or small-volume allowances prior to producing any exempted vessels by July 31, 2011. Enclosed is a sample EPA notification letter for your use. This letter should be addressed to the Designated Compliance Officer and e-mailed to prod_data@epa.gov.

If you have questions concerning this determination, please contact either Julia Giuliano (giuliano.julia@epa.gov) or Sara Zaremski (zaremski.sara@epa.gov) of my staff.

Sincerely,

A handwritten signature in black ink, appearing to read 'Karl J. Simon', with a stylized flourish at the end.

Karl J. Simon, Director
Compliance and Innovative Strategies Division
Office of Transportation and Air Quality

Enclosure

Enclosure to CISD-10-16
Sample Notification Letter for
Participation in Diurnal Transition Program

[Insert Date Here]

Designated Compliance Officer
U.S. Environmental Protection Agency
Office of Transportation and Air Quality
Compliance & Innovative Strategies Division
2000 Traverwood Drive
Ann Arbor, MI 48105

Dear Designated Compliance Officer:

We are a vessel manufacturer and this letter is to notify EPA of our intent to use the [Percent-of-production OR Small-volume] allowances under the Diurnal Transition Program, 40 CFR § 1045.625.

EPA finalized an evaporative emissions standard for marine vessels titled, Control of Emissions from Spark-Ignition Propulsion Marine Engines and Vessels, 40 CFR Part 1045. This regulation requires vessel manufacturers to substantially reduce the amount of diurnal (daily) emissions that escape through vessels' fuel tank systems, effective July 31, 2011. Included in the 40 CFR 1045 regulations is a Diurnal Transition Program, or phase-in period that allows vessel manufacturers to produce a specified number of vessels that are exempt from diurnal emissions requirements.

Specifically, we understand that two allowances are available to vessel manufacturers under the Diurnal Transition Program: (1) percent-of-production allowance, which allows vessel manufacturers to produce up to 50 percent of exempted vessels through July 31, 2012, and (2) small-volume allowance, which allows small volume-vessel manufacturers to produce up to 1,200 exempted vessels through July 31, 2013.

[Note -- If you are a large-volume or small volume vessel manufacturer and choose the percent-of-production allowance you can use the following language:

As a large-volume OR small-volume vessel manufacturer, we plan on utilizing the Percent-of-production allowance option. The written report as required in 40 CFR §1045.625(d)(2) will be submitted by December 31, 2012.]

[Note -- If you are a small-volume vessel manufacturer and choose the small-volume allowance option, you can use the following language:

As a small-volume vessel manufacturer, we plan on utilizing the Small-volume allowance option. The total number of employees for our company (including the parent company and any subsidiaries) is XXX employees. A total of two reports will be submitted. The written report as required in 40 CFR §1045.625(d)(2) will be submitted by December 31, 2012. The second report as required for small-volume vessel manufacturers utilizing this provision will be submitted by December 31, 2013.]

All vessels will be labeled according to 40 CFR §1045.625(c). Please let us know if there is any other information that EPA requires. All information and correspondence can be directed to **[identify the name, e-mail address, and phone number of a person to contact for further information]**.

The following are our company's production figures from July 31, 2009 through July 31, 2010:

[include appropriate production figures broken down by Model]

The following is the name and address of the company whose fuel tanks will be used in these exempted vessels **[identify name and address of fuel tank company]**.

Sincerely,

[Company's name and address / and, if applicable, your parent company's name and address here]