



TPEM OVERVIEW

WHAT IS TPEM?



What is TPEM?

When EPA establishes new regulations with tighter engine emission standards, engine manufacturers often need to change the design of their engines to achieve the emissions reductions required by the new standards. Consequently, equipment manufacturers installing these engines may also need to redesign their products to accommodate these design changes. Sometimes, equipment manufacturers, many of whom are small businesses, have trouble making the necessary adjustments within the timeframe required by the new regulations.

In an effort to provide equipment manufacturers with some flexibility in complying with the regulations, EPA created the Transition Program for Equipment Manufacturers, better known as “TPEM” or “flexibility program.” Under TPEM, equipment manufacturers are allowed to delay installing engines that comply with the new standards (currently Tier 4 standards) for up to seven years as long as they comply with certain production limitations and requirements for notification, recordkeeping, and annual reporting.

Correspondingly, engine manufacturers are allowed to produce exempted (or “flex”) engines for equipment manufacturer’s participating in TPEM and are required to keep records and submit reports to EPA of their activities under the program. TPEM is currently available only to manufacturers of nonroad compression-ignition equipment. There are additional requirements that apply to importers of nonroad compression-ignition equipment.



TPEM Background

- In October 1998, EPA promulgated new regulations for nonroad compression-ignition (e.g., diesel) engines. These regulations, codified at 40 CFR Part 89, established emission standards (Tier 1 and Tier 2 standards) for the first time for engines under 37 kW, and established more stringent standards (Tier 2 and Tier 3 standards) for engines at or above 37 kW.
- Some of these new standards were expected to cause some engine design changes. During the rulemaking process, some original equipment manufacturers (OEMs) expressed concerns that engine manufacturers would not provide sufficient notice of possible changes in engine design. These changes can create problems in fitting the engine to the equipment, which can lead to delays in production if equipment manufacturers are forced to redesign their equipment at the last minute.
- In response to these concerns, EPA included an OEM transition program in the October 1998 rule. This Transition Program for Equipment manufacturers (TPEM) consists of a number of regulatory flexibility provisions designed to provide equipment manufacturers with some control over the transition process to new standards.
- A new phase of the program, Tier 4, was created when Part 1039 standards first applied starting in 2008 for the smaller power categories and 2011 for the larger power categories.
 - The Tier 4 program is independent of the Part 89 program and has different requirements
 - It is important to note that there was never a Tier 3 TPEM program



TPEM Regulations

- Part 89 TPEM Program
 - 40 CFR Part § 89.102
 - Part 89 TPEM has ended
- Tier 4 Program (current program)
 - 40 CFR Part § 1039.625 – General Provisions
 - 40 CFR Part § 1039.626 – Additional provisions for imported equipment
 - 40 CFR Part § 1039.630 – Provisions for Economic Hardship Relief