

**Reply to Comments Received on the
Discussion Draft of the
Off-Road Small Spark-Ignition Engine Emission Regulations**

**Transportation Systems Branch
Environment Canada**

March, 2003

TABLE OF CONTENTS

1. INTRODUCTION	1
2. PARTIES PROVIDING SUBMISSIONS.....	1
2.1. PARTIES PROVIDING COMMENTS	1
2.2. OTHER.....	2
3. ISSUES: COMMENTS AND RESPONSE.....	2
3.1. ALIGNMENT WITH AND REFERENCE TO U.S. EPA EMISSION STANDARDS	2
3.2. CANADA-ONLY PRODUCTS	3
3.3. TIMING & EFFECTIVE DATE OF THE REGULATIONS.....	4
3.4. NATIONAL EMISSIONS MARK	4
3.5. PRESCRIBED ENGINES	6
3.5.1. Replacement Engines.....	6
3.5.2. Engines that will not be sold or used in Canada; engines used for exhibition, demonstration, evaluation and testing; stationary engines	6
3.5.3. Competition Vehicles	7
3.6. EVIDENCE OF CONFORMITY	8
3.7. CRANKCASE EMISSIONS STANDARD.....	9
3.8. IMPORTATION DOCUMENTS	9
3.9. NOTICE OF DEFECT	10
3.10. ISSUES RAISED IN THE DISCUSSION NOTE	11
3.10.1. Acceptance of European Union Certified Engines	11
3.10.2. Updates To U.S. Standards	12
3.10.3. Special Provisions For Winter Engines	13
3.10.4. Emissions Averaging Program.....	14

1. INTRODUCTION

This document provides a detailed summary and Environment Canada's response to comments received from stakeholders relating to development of the proposed *Off-Road Small Spark-Ignition Engine Emission Regulations*.

On February 17, 2001, the Minister of the Environment published the Federal Agenda on Cleaner Vehicles, Engines and Fuels in Part I of the Canada Gazette. This agenda outlines the Minister's intent to develop a series of measures over the next decade to reduce emissions from vehicles, engines and fuels.

One element of the federal agenda is the development of regulations under the authority of Part 7, Division 5 of the *Canadian Environmental Protection Act, 1999 (CEPA 1999)* to establish emission standards for small spark-ignition engines aligned with those of the United States Environmental Protection Agency (EPA).

In July 2002, Environment Canada released a discussion draft of the new federal regulations. The discussion draft was accompanied by a note describing four specific regulatory issues: accepting engines certified to European Union emissions standards; Canadian regulatory plans to address proposed EPA amendments to U.S. emissions standards; special provisions for winter engines; and emission averaging provisions. The discussion draft was sent to stakeholders and posted on Environment Canada's CEPA registry web site¹.

2. PARTIES PROVIDING SUBMISSIONS

2.1. PARTIES PROVIDING COMMENTS

Submissions on the discussion draft of the proposed Regulations were received from the following parties:

- Engine Manufacturers Association (EMA) through counsel
- Outdoor Power Equipment Institute (OPEI) through counsel
- Moped and Motorcycle Industry Council (MMIC)
- Association of Equipment Manufacturers (AEM)
- Kubota Canada
- Alberta Environment
- Saskatchewan Environment and Resource Management

¹ The URL for the Environment Canada CEPA Registry is:
<http://www.ec.gc.ca/CEPARRegistry/default.cfm>.

2.2. OTHER

- Tecumseh Products Company

3. ISSUES: COMMENTS AND RESPONSE

3.1. ALIGNMENT WITH AND REFERENCE TO U.S. EPA EMISSION STANDARDS

- Tecumseh stated that it *“supports standardization of emission standards and recommends that EPA regulations be referenced wherever possible”*
- The EMA stated: *“Failure to harmonize with EPA will result in significant costs for engine manufacturers and limited product availability for Canada. EMA supports EC’s approach in the discussion draft, which for the most part, references EPA regulations.”*
- EMA also stated that *“In order to avoid uncertainty and confusion regarding EC’s emission regulations, EPA’s regulations should be referenced wherever possible, rather than attempting to redraft equivalent requirements and language for Canada.”*
- Alberta Environment *“supports EC’s intention to develop a regulation that is in line with the US - EPA requirements in emission standards and timing. A harmonized U.S.-Canada approach will allow for optimal implementation of new standards and will minimize transition problems.”*
- Saskatchewan Environment *“supports, in principle, the direction that is being taken with this discussion draft.”*

Response:

The comments confirm broad support from all respondents for Canada to align its emission standards with corresponding U.S. federal programs.

The proposed Regulations are designed to align Canadian emission standards with those of the U.S. EPA. The proposed Regulations establish the technical standards respecting exhaust and crankcase emissions for engines. These technical standards correspond to sections of the U.S. Code of Federal Regulations (CFR) which are incorporated by reference to ensure that the specified standards are identical in both countries.

Comments on specific aspects of the Regulations are addressed in the other sections of this document.

3.2. CANADA-ONLY PRODUCTS

Comments were raised by OPEI regarding the treatment of specialty products not currently certified to U.S. standards.

OPEI stated:

- *“A small number of OPEI members design products specifically for the Canadian market that are not sold in United States. The products, such as oversized brush cutters and chainsaws, are either used by the Canadian silviculture industry, or have special cold weather applications.... These products cannot meet the fall-back emission standards for Canada-only products as contemplated in Sections 8 through 10 of EC’s discussion draft due to the lack of a Canadian averaging system...The Canada-only products are manufactured in volumes that are so small, production and sales would likely be terminated should EC’s discussion draft become finalized. The negligible emission savings would largely be at the expense of Canadian industry. Thus OPEI requests that EC consider some specialized relief for these products.”*
- *“As a possible alternative to excluding the Canada-only products from emissions regulation, EC may wish to consider a specific emissions standard for these products. For example, EC could rely on the emission cap specified in EPA averaging provisions ... 275 g/kW-hr for engine less than 50 cc and 186 g/kW-hr for engines greater than 50 cc.”*

Response:

Information provided by the OPEI indicates that there are no generic characteristics for the specialty products currently supplied to Canada. Consequently, it is not possible to differentiate, on an application specific basis, those specialized Canadian-only products from products sold concurrently in Canada and in the U.S. Therefore, the OPEI proposal for relaxed standards for Canada-only products was rejected.

Data provided by the OPEI indicates that such Canada-only engines are estimated to account for less than one half of one percent of sales. Nonetheless, the department recognizes such specialty products remain an important market for certain companies.

While the regulations are designed to facilitate the entry of U.S. EPA certified engines, the proposed Regulations allow for products that meet the Canadian emissions standards. The proposed Regulations provides the flexibility to address the expected very small number of Canada-only engines. It is our intention to permit a company to demonstrate compliance with the Canadian standards using the averaging provisions available under U.S. rules. The Department plans to provide a guidance document to assist companies with the administrative and technical provisions of the regulations.

3.3. TIMING & EFFECTIVE DATE OF THE REGULATIONS

Commenters expressed concern that there could be insufficient lead-time to meet the January 1, 2004 date when the regulations would come into force.

OPEI stated:

- *“Many OPEI members have model years that begin in July or August of a given year meaning that the complete process would need to be in place prior to June 2003 to achieve a 2004 implementation schedule. Considering manufacturers and importers will have substantial, new product labeling, and distribution responsibilities, OPEI suggests that the implementation be scheduled for the 2006 model year.”*

EMA stated:

- *“EC should propose an implementation date which will not result in a divided model year for compliance purposes... an implementation date which began mid-model year would be problematic for the purposes of application of the national emissions mark.”*
- *“In order to avoid complexity and minimize burden, the effective date for application of the national emissions mark should be implemented on the basis of model year, not calendar year”*

Response:

The proposed Regulations have been drafted to apply to 2005 and later model year engines but will come into force on registration to allow for implementation of the administrative provisions. This approach should provide sufficient lead time for companies and avoids mid-model year changes.

The proposed Regulations have also been modified to require the application of the national emissions mark only on engines manufactured in Canada. This change should provide companies with enough time to meet the regulatory requirements for model year 2005.

3.4. NATIONAL EMISSIONS MARK

Commenters identified the limited space available on engines to apply the national emissions mark.

- Tecumseh stated that it *“supports Environment Canada’s approach in the discussion draft, which references EPA’s labeling requirements... Tecumseh also appreciates the efforts of EC to minimize the size of the Canadian national emissions mark. It is Tecumseh’s intention to apply for authorization*

to apply the Canadian NEM to all engines that will be built for final sale in Canada”

- OPEI stated: *“Canadian law permits the Emissions Mark to be part of a US EPA label; however the proposed dimensions of the Emissions Mark may make such integration difficult. ... We propose the creation of a single label that integrates the EC Emission Mark (at a reduced size) with the requisite EPA and California information.”*
- EMA stated: *“EC’s discussion draft substantially relies upon EPA’s labeling requirements and does not require bilingual emission control information labels. EMA supports this approach. EMA also appreciates the efforts of EC to minimize the size of the NEM. Minimizing the size of the mark is critically important, particularly in this market where much of the product is very compact. The smaller the mark, the more likely engine manufacturers will be able to integrate the mark with existing labels. Moreover the size of the mark will directly impact the ability of engine manufacturers to place the mark on or near existing labels.”*

Response:

The proposed Regulations include a unique national emissions mark comprising an “EC” symbol with maple leaf intended to convey a bilingual (English and French) mark in the most concise format. The minimum dimensions of the mark, at 7mm in height and 10 mm in width, are maintained.

The proposed Regulations have been modified to require the application of the national emissions mark only on engines that are manufactured in Canada, consistent with the requirements for the mark, as set out in *CEPA 1999*. The provisions of CEPA directly require that imported engines conform with the requirements of these Regulations as a condition of their importation into Canada. Accordingly, the application of a national emissions mark to imported engines is not required to demonstrate such conformity. Under subsection 18(e)(ii) of the proposed Regulations, imported engines covered by a U.S. EPA certificate of conformity and sold concurrently in Canada and the U.S. need only to bear a U.S. EPA engine information label for the applicable model year of the engine.

This approach will facilitate the administration of, and compliance with, the proposed Regulations by reducing the number of engines where the national emissions mark must be applied.

3.5. PRESCRIBED ENGINES

3.5.1. Replacement Engines

EMA stated:

- *“EC should adopt provisions to allow the importation into Canada of engines identified as replacement engines in accordance with EPA regulations.”*
- *“Failure to allow the sale of replacement engines in Canada could result in an inability to replace failed engines and fulfill warranty claims of Canadian consumers where compatible certified product is not available. EMA supports EC’s proposed language which effectively excludes replacement engines from the definition of small spark-ignited engine, thereby allowing the sale of replacement engines in Canada.”*

Response:

The proposed Regulations are in accord with the comment. The concept of a replacement engine, under subsection 1(1) of the discussion draft has been expanded to cover the situation of an engine installed in a machine originally produced either before or after the coming into force of these regulations. Under section 12 of the proposed Regulations, a replacement engine is defined as an engine “designed exclusively to replace an engine in a machine for which no current model year engine with the physical or performance characteristics ... exists”. Replacement engines are subject to the exhaust emissions standards applicable to the original engine, or if no such standards were in effect at the time, to the manufacturer’s specifications.

Environment Canada understands that the use of replacement engines is extremely rare in small spark-ignition applications. Replacement engines tend to be limited to expensive or specialized machines.

3.5.2. Engines that will not be sold or used in Canada; engines used for exhibition, demonstration, evaluation and testing; stationary engines

- EMA stated: “Failure to adopt these exclusions [engines that will not be sold or used in Canada, engines used for exhibition, demonstration, evaluation and testing, stationary engines] could result in disharmony between EC and EPA, with engines excluded from EPA’s regulations being included in EC’s regulations.”

Response:

The proposed Regulations, together with the enabling legislation, are in accord with the concepts expressed in the comment.

Subsection 155(1) of *CEPA 1999* establishes exceptions for the importation of an engine if it will be "... used in Canada solely for purposes of exhibition, demonstration, evaluation or testing and will remain in Canada for not longer than one year or any other period the Minister specifies." Accordingly, engines intended to be used in Canada solely for the purposes of exhibition, demonstration, evaluation or testing are not subject to the standards.

Subsection 155(1) of *CEPA 1999* also establishes an exception for an engine that: "...is in transit through Canada, from a place outside Canada, to another place outside Canada and is accompanied by written evidence establishing that the engine will not be sold or used in Canada."

Engines designed to be used in stationary applications, such as a fixed generator-set or pump, are not covered by the proposed Regulations. The definition of an off-road engine, in subsection 1(1) of the proposed Regulations, has been modified compared to the discussion draft and includes an engine:

"... that is used or designed to be used by itself and that is designed to be or is capable of being carried or moved from one location to another" or

"that is used or designed to be used in or on a machine that is designed to be or capable of being carried or moved from one location to another".

The definition of off-road engine also includes self-propelled machines and machines that are propelled and can perform another function. These are all indicia of transportability. Engines designed to be installed in stationary applications are not intended to be covered by proposed Regulations.

3.5.3. Competition Vehicles

MMIC stated:

- *"We believe section 1 "small spark ignition engine" (b) [definition of small spark-ignition engine] is intended to exclude competition vehicles... we do not understand the intent of the phrase "are not easily removed". How does this apply to competition vehicles, such as motorcycles, go-karts, snowmobiles and all-terrain vehicles?"*
- *"Is the intent that the vehicles not be easily modified, making their use for anything other than competition unsafe, impractical or highly unlikely? If so, it may be sufficient to say that the unit is, "designed with features that would render its use, other than in competition, unsafe, impractical or highly unlikely", deleting the phrase "that are not easily removed"? Additionally it may be*

appropriate to include the definition of “competition vehicle” from the MVSA [Motor Vehicle Safety Act].”

Response:

The proposed Regulations do not apply to engines designed exclusively for use in competition applications. The provision for competition engines (now subsection 5(2)(a) of the proposed Regulations) has been modified to state “...do not include engines designed exclusively for competition and with characteristics, and features that are not easily removed, that render their use other than in competition unsafe, impractical or unlikely”. The wording is derived from the corresponding U.S. standards and is intended to ensure alignment between the Canadian and U.S. regulations.

Subsection 5(2)(d) of the proposed Regulations explicitly excludes engines designed to be used in snowmobiles, all-terrain vehicles and restricted-use motorcycles irrespective of whether or not designed for competition applications. A spark-ignition engine designed for use in a go-kart, subject to the 19 kW power rating limitation (subsection 5(1)(c) of the proposed Regulations) would be subject to the proposed Regulations unless the engine is designed exclusively for use in a competition application, as specified under subsection 5(2)(a).

The definition of a “competition vehicle”, as defined under the Motor Vehicle Safety Act, means “a vehicle that is designed for use exclusively in closed-course competition ...” and therefore excludes machines designed for other types of competitive applications.

3.6. EVIDENCE OF CONFORMITY

- OPEI stated that it “*respectfully requests that EC clarify that the principal and typically the sole focus of the Minister’s review [evidence of conformity in a form and manner satisfactory to the Minister] will be the results of a validly conducted EPA test procedure, which may, of course be followed with additional inquiries.*”

Response:

The proposed Regulations operate on the basis of self-certification. Sections 15 and 16 of the proposed Regulations (modified from sections 15 and 16 in the discussion draft) address records that could be called upon to demonstrate compliance. Subsections 15(a) to 15(d) identify the evidence of conformity for those engines covered by a U.S. certificate of conformity and sold concurrently in Canada and the U.S. In the case of Canadian engines (i.e. those engines not covered by a U.S. certificate of conformity or not sold concurrently in

the U.S.), a company will be subject to section 16 and the evidence of conformity to the emissions standards (i.e. sections 8 -11) shall be obtained and produced in a form and manner satisfactory to the Minister. In these situations, it is our intention to seek documentation that would demonstrate compliance with the technical standards in accordance to the test procedures set out in the CFR as indicated in subsection 9(3) of the proposed Regulations.

Since the proposed Regulations represent the first time a category of off-road engines will be regulated in Canada, Environment Canada plans to release a guidance document to assist companies with the administrative and technical provisions of the regulations.

3.7. CRANKCASE EMISSIONS STANDARD

- EMA stated: *“The language proposed by EC in section 9(2) references “snowblower” only. ... EC should use a more generic reference such as winter exclusive application.”*

Response:

The proposed Regulations are designed to align with those of the EPA. Accordingly, the language within subsection 10(2) of the proposed Regulations (Subsection 9(2) of the discussion draft), which pertains to the crankcase emissions standard, is consistent with the provisions set out in subpart B, subsection 109(c) of the U.S. Code of Federal Regulations (CFR).

3.8. IMPORTATION DOCUMENTS

EMA stated:

- *“...requirements associated with the importation of engines or machinery... appear to be in addition to the existing customs documentation requirements. Also in the case of the request for serial numbers, many manufacturers do not utilize serial numbers and will be unable to fulfill this request.”*
- *“The inclusion of the statement of compliance [in the commercial invoice] required by section 18(h) would be difficult, if not impossible”*
- *“EMA urges EC to streamline and minimize documentation requirements to ensure that an additional burden is not placed on importers and engines manufacturers.”*

MMIC stated:

- *“We would like to point out that some MMIC member companies and possibly other companies which may manufacture and import product for which these*

Regulations apply, may also distribute other spark and/or compression ignition engines... In some cases, the volume of distribution may be below the 2,000 threshold for any one regulated, or proposed regulated, segment however, the total distribution of engines falling under other emission regulations may be well above the established threshold. We would recommend that the section be reworked to take this situation into consideration.”

Response:

The importation documentation requirements under section 18 of the proposed Regulations have been streamlined to reflect information that should be readily available on documents already being submitted to Customs (e.g. commercial invoice). This should reduce the administrative burden on both importers and the Government by eliminating the need to create and submit an additional form.

Companies are responsible for ensuring that engines comply with the standards. Accordingly, they will be required to provide a statement of compliance on the importation document certifying that the engine(s) bear the national emissions mark or the company has the evidence of conformity referred to in section 15 or complies with section 16. This statement can be placed on the commercial invoice and will serve as evidence of conformity to Canadian emissions standards.

Subsection 18(2) of the proposed Regulations (subsection 18(3) of the discussion draft) has been drafted with a 500-unit threshold for bulk reporting in recognition of the relatively light volume that may exist for some companies that regularly import small spark-ignition engines. Should it become necessary, it may be possible to establish an overall threshold volume based on all vehicles and engines covered under Part 7, Division 5 of *CEPA 1999* regulations.

3.9. NOTICE OF DEFECT

EMA stated:

- *“EC should minimize the reporting requirements associated with defects. The reporting requirements should be harmonized with EPA’s defect reporting requirements.”*
- *“...U.S. based engine manufacturers will be unable to comply with some of the reporting requirements (e.g. section 22(3))”*

Response:

Section 157 of *CEPA 1999* outlines the obligations of a company on “becoming aware of a defect in the design, construction or functioning of the

engine that affects or is likely to affect its compliance with the prescribed standard". This includes an initial notice and follow-up reports for a period of two years unless the Minister directs otherwise.

Section 24 of the proposed Regulations (section 24 of the discussion draft) has been drafted to streamline the defect reporting requirements in recognition that most of the engines are expected to be covered by a U.S. certificate of conformity and the engine manufacturer would prepare similar reports for the U.S. EPA. The Department recognizes that the notice of defect provisions established under *CEPA 1999* will require coordination between engine manufacturers, almost all of which are located outside of Canada, with those companies that import engines into Canada.

Under subsection 24(1) of the proposed Regulations, companies will be required to provide an initial notice of defect to the Minister and to each person who has obtained such an engine from the company. The Department recognizes, unlike the case of motor vehicles, there is no centralized tracking system to identify current owners. Under subsection 157(4) of *CEPA 1999*, if current owners cannot be reasonably determined, the Minister may order the company to give notice of the defect by publication in newspapers or determine that current owners do not have to be notified.

To avoid potential duplication of efforts where more than one company may be required to issue a notice for an identical engine model, subsection 157(3) of *CEPA* requires only a single notice of defect to be issued.

The scheduling of defect reports has been drafted to match with the reports required under EPA rules. Under subsection 24(2) of the proposed Regulations, an initial report is required within 60 days of the initial notice to match the report describing the manufacturer's voluntary emissions recall plan required by the EPA under subsection 90.804(a) of the CFR. A follow-up report (subsection 24(3) of the proposed Regulations) is required no later than 24 months after giving notice of defect to match the timing of the progress report on a recall required under subsection 90.804(b) of the CFR.

3.10. ISSUES RAISED IN THE DISCUSSION NOTE

The following comments were received in response to issues raised in the discussion note that accompanied the discussion draft of the Regulation.

3.10.1. Acceptance of European Union Certified Engines

The discussion note solicited comments regarding the acceptance of engines certified to European Union (EU) emissions standards for small spark-ignition engines.

- *“Tecumseh Products is not opposed to acceptance of EU certificates as long as the stringency and implementation of the European Union standards is aligned with the current EPA standard.”*
- *“OPEI believes that using an EU certificate would be problematic considering the different implementation schedule and fuel requirements in Europe and North America. In addition different ancillary regulatory priorities, such as fire-safe requirements in the U.S. and noise requirements in the EU, directly impact emissions testing and thus hamper the ability to transfer data between the two regulatory schemes. OPEI is thus not in favor of such an approach.”*
- *“EMA is not opposed to the acceptance of EU certificates, at such time as the stringency, and the implementation of the phase-in standards is synchronized between EPA and EU.”*
- Saskatchewan stated: *“If the European certification process is largely equivalent to the U.S. EPA requirements that should be accepted as evidence of conformity to Canadian requirements.”*
- Kubota stated: *“Because each regulation timing is different between the EU, Canada and U.S., we would recommend that the EPA regulation is used as the principal “base” and that Canada align as closely as possible with the US in both regulation and implementation date. If the EU regulation is fully aligned (technically) with that of the US, then accepting EU certificates would be satisfactory.”*

Response:

The EU standards are not finalized. Accordingly, the proposed Regulations do not consider the acceptance of EU certified engines. The Department is prepared to re-examine this issue once the EU standards are finalized.

3.10.2.Updates To U.S. Standards

The discussion note solicited comments regarding the Department’s plans to address U.S. EPA proposed amendments to its nonroad spark-ignition engine emissions standards.

- Tecumseh stated: *“Given the history of the regulation by EPA of the SORE [small off-road engine] engine category and the potential for significant duplication of certification documentation, emission testing, and lack of impact on air quality, we recommend that the current SORE regulation’s definition of a recreational vehicle engine [rated speed in excess of 5000 RPM and no speed governor] be retained.”*

- EMA stated: *“EC should address the “opt-in” categories for engines rated between 19 and 30 kW once EPA’s standards are finalized.”*
- Saskatchewan stated: *“The proposal to address the opt-in provisions when the LSI engines and recreational vehicle regulations are developed is satisfactory. I do not see the need to differ from the U.S. requirements to include go-kart engines in the discussion draft. Once again consistency with the U.S. EPA approach should be maintained.”*
- Kubota stated: *“Any EPA regulation amendment should be included/adopted so that the US and Canada are “aligned” as much as possible.”*
- AEM stated: *“We are submitting, as AEM comments, our letter sent out to the US EPA on January 16, 2002, in response to the Large Engine ruling. [letter topic for special provisions for concrete saws]”*

Response:

Environment Canada has reviewed the September 13, 2002 U.S. EPA final rulemaking for Large Spark-Ignition Engines and Recreational Engines as it pertains to the small spark-ignition engine standards. The scope of engines covered by the proposed Regulations are in accord with the updated U.S. standards for nonroad spark-ignition engines at or below 19kW.

The discussion note flagged minor differences between the planned Canadian regulations and the then current U.S. standards with regard to the treatment of hobby engines and engines used in recreational vehicles. The proposed Regulations include engines used to propel recreational vehicles with the exception of snowmobiles, all-terrain vehicles and off-road motorcycles, and exclude hobby engines used to power scale models of vehicles.

The proposed Regulations do not address the “opt-in” provisions contained in the U.S. standards whereby a manufacturer can elect to certify an engine rated over 19 kW power to either the small spark-ignition engine emission standards or to the newly promulgated large spark-ignition or land-based recreational engine emissions standards (Parts 1048 and 1051 of the CFR, respectively). It is our intention to address this situation when corresponding Canadian regulations for large spark-ignition engines and recreational land-based vehicles are developed.

3.10.3.Special Provisions For Winter Engines

The discussion note solicited comments whether the regulations require special provisions for engines certified to the EPA “wintertime” standard to reduce the risk of such engines being installed in non-winter applications.

Tecumseh stated:

- *“Tecumseh Products requests that Environment Canada adopt the wintertime HC+NOx emission relief per U.S. CFR 90.103(a)(5)”*
- *“Operation of these engines in a summer application would result in engine failure due to dust ingestion. The modifications required to convert the [wintertime] engines for summertime use are cost prohibitive. Partial conversions, such as addition of an air filter without additional changes such as carburetor, would result in very poor run quality and short air filter life”*

EMA stated:

- *“EMA understands EC’s concern [wintertime engines] but believes the risk is minimal. There simply is no incentive to convert these engines to allow for installation in summer applications. In general, winter engines are not less expensive than summer engines and the cost of conversion is prohibitive.”*

Alberta stated:

- *“Given the variability and extremes of Canadian climatic conditions, Alberta supports the special provisions to accommodate Canadian “wintertime” conditions.”*

Saskatchewan stated:

- *“The question of winter-time engines should be dealt with in a manner consistent with the U.S. approach to simplify compliance ... The risk of “winter-time engines” being installed in non-winter applications after retail sale is minimal and certainly does not warrant a different approach than the U.S. is taking.”*

Response:

The proposed Regulations do not include special provisions for engines certified to EPA winter-time standard. The risk of misapplication of these engines is very low.

3.10.4.Emissions Averaging Program

The discussion note solicited comments regarding the proposed approach for Canadian emissions standards.

- Tecumseh stated: *“Tecumseh Products considers both Canada and the U.S. to be combined into one North American market. The volume ratios of specific engine models are relatively uniform within this market, with the exception*

wintertime engines are sold only in the northern United States and Canada. There is no incentive for Tecumseh to produce a unique product line for Canada. Tecumseh supports Environment Canada's approach..."

- *EMA stated: "EC's discussion draft does not provide for a separate averaging, banking and trading program for Canada. The market for small SI engines is truly an integrated North American market. There simply is little incentive for engine manufacturers to produce a Canadian product. Imposing a separate averaging requirement for Canada would impose a tremendous burden on manufacturers, in terms of cost and manpower. Such a requirement would be difficult, if not impossible to fulfill."*
- *Alberta stated: "Alberta also supports the simpler regulations as proposed by EC (which does not incorporate the U.S. averaging provisions)."*
- *Saskatchewan stated: "Averaging, banking and trading provisions, if they were considered a logical provision in the U.S. code should be similar in the discussion draft."*
- *Kubota stated: "Kubota Canada has no plan to apply the above AB&T provisions."*

Response:

The proposed Regulations do not contain averaging provisions. The accompanying Regulatory Impact Analysis Statement provides additional background explaining why averaging is not part of the proposed Regulations.