



United States  
**Environmental Protection Agency**  
Office of Transportation and Air Quality

Transition Program for Equipment Manufacturers  
**HARDSHIP RELIEF APPLICATION QUESTIONNAIRE**

EPA Form Number 5900-465      Version 1.0; Last Modified: September 2015

Dear Applicant,

This document is a questionnaire you must answer to apply for hardship relief in the context of the Transition Program for Equipment Manufacturers (TPEM). Please download this questionnaire and add your answer under each question in the order presented. Please retain the titling for each section and the numbering of each question.

If you are applying for technical hardship relief under 40 CFR 1039.625(m), you only need to complete section A. If you are applying for economic hardship relief under 40 CFR 1039.630 and 40 CFR 1068.255, complete both Sections A and B.

**All responses should be fully supported.** Please submit any available written evidence such as purchase order's, letters, emails, and notes. All supporting information and documentation must be submitted with the completed application. Where the contact information to verify a particular claim differs from the primary contact, you should supply full contact information for each claim.

Your application must be approved and signed by an authorized representative of your company, typically the chief executive officer, president or owner. Please note that, per 40 CFR 1068.25, "you are responsible for statements and information in [this] application... If you provide statements or information to someone for submission to EPA, you are responsible for these statements and information as if you had submitted them to EPA yourself. For example, knowingly submitting false information to someone else for inclusion in an application for certification would be deemed to be a submission of false information to the U.S. government in violation of 18 U.S.C. 1001".

Please note that a complete application must include:

1. The completed Prescreening Questionnaire,
2. This Application, signed,
3. Any supporting documentation, and
4. Your company's last TPEM annual report.

The public reporting and recordkeeping burden for this collection of information is estimated to average 30 minutes per response. Send comments on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including through the use of automated collection techniques to the Director, Collection Strategies Division, U.S. Environmental Protection Agency (2822T), 1200 Pennsylvania Ave., NW, Washington, D.C. 20460. Include the OMB Number 2060-0369 in any correspondence. Do not send the completed Form 5900-(In Process) to this address.

OMB No. 2060-0287  
Approval Expires on  
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## APPLICANT INFORMATION

This application is for:

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Date of Application: [Click to enter date](#)

Manufacturer Name: [Click here to enter text.](#)

Manufacturer Contact Name:

Manufacturer E-mail Address:

Manufacturer Phone Number:

Manufacturer Address:

*If application is submitted by 3<sup>rd</sup> Party, please provide:*

3<sup>rd</sup> Party Contact Name

3<sup>rd</sup> Party E-mail Address:

3<sup>rd</sup> Party Phone Number:

3<sup>rd</sup> Party Address:

Power Category(ies) you are seeking relief for:

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## SECTION A – Technical or Engineering Information

### Section A1. Company Overview

1. State that you have completed the preliminary screening and your company is in compliance with the TPEM program. Attach and submit the completed prescreening document with this request.
2. Supply full contact information for the company representative responsible for this request.
3. Supply full contact information for the submitter if different from above.
4. Fully describe your company including but not limited to:
  - a. Number of employees
  - b. States and/or countries operating in
  - c. Estimated company value and annual revenue for past 5 years
  - d. Fully describe all products you manufacture and the applicable industry sector for each product.
  - e. Fully describe all equipment you manufacture incorporating Non-road Compression Ignition (NRCI) engines.
  - f. List all engines by manufacturer you currently or in the past have incorporated into your equipment.
  - g. Fully describe the equipment above that is the subject of this hardship application.
5. To the best of your ability, list the top three competitors for each model of equipment you produce.
  - a. Provide your market share for each model produced, and an estimate of your competitors' respective market share.
  - b. Do you supply unique or niche equipment that may cause a shortage in the market (i.e., no other competitor builds equipment to serve this particular function)?
6. Is your company the Equipment Manufacturer?
  - a. State that you have read and understand 40 CFR 1039.625(a)
  - b. Do you have the primary responsibility for designing and manufacturing the equipment? If you import any pieces of your equipment, fully describe to what extent the equipment is imported.
  - c. Do you install some engines in the equipment? If so, do you receive the engines from your supplier as a power pack (i.e, a modular powertrain including the engine, radiator, transmission, or other supporting components) or with no supporting components installed?
  - d. Provide a full description of the designing and manufacturing activities devoted to each piece of equipment.
7. Provide complete sales data for all models you have manufactured over the past 5 years:
  - a. List sales data on a model-by-model basis
  - b. List any known causes of increased or decreased sales, for example: natural disasters, recessions, emission standard changes, customer preference for established engine technology, customer refusal to purchase technology, etc.
8. Provide sales forecasts for all models you intend to manufacture for next 2 years
  - a. Explain the basis for any significant increases or decreases in sales projections
9. State whether you manufacture any engines

- a. If you are an engine manufacturer, state whether you manufacture any engine installed in any of your equipment models
10. The TPEM program permits one allowance per parent company per power category. Completely describe the ownership chain of your company up to the final parent/entity and back down to all subsidiaries of the parent company. Include all third party and licensee manufacturing agreements.
- a. Any relief will be granted to the parent of any and all subsidiaries. Please outline in complete, concise detail the corporate structure of the parent and include any and all subsidiaries or partial ownership in other equipment manufacturer companies by the parent company.
  - b. Is this hardship due to or caused by a recent merger or acquisition of another company? List all mergers and acquisitions of any equipment manufacturing business entered into by the parent or any subsidiary in the last five years.
  - c. State if you are the Parent, a Subsidiary, Licensee, Agent or Importer operating under the authority of the parent. Attach and submit full documentation of your status.

## Section A2. TPEM Participation

1. Provide the date on which your company entered or will enter the TPEM program using exempted engines
2. Provide the date of the last day of authorized TPEM participation. Hardship may not be granted outside the specified 7 year period (see 40 CFR 1039.625(m)).
3. Has your company properly filed TPEM reports for each year of participation? Submit copies of all reports with this application
4. Include in your application the complete and total TPEM usage by the parent and all its subsidiaries. Each TPEM allowance is granted by power category.
  - a. Going back to the beginning of your participation in the TPEM program list each power category in which you have consumed TPEM allowances.
  - b. State the number of allowances per power category the parent and its subsidiaries are using and whether each one is Percent of Production (PoP) or Small Volume Manufacturer (SVM)
    - i. List each model of equipment in each power category
    - ii. Include a list of all engines by EPA Engine Family name and manufacturer that you have installed in every model produced by the parent during the past five years.
  - c. List planned Tier 4 Final compliant engines by 12-character EPA engine family name (e.g., DCEXL06.7XYZ) for installation in each model above or indicate if you intend to cease production of this particular equipment model.
    - i. Are these planned Tier 4 Final engines currently certified and available?
5. State on what date you expect to exhaust your current TPEM allowance. Your company must exhaust all TPEM allowances before using any additional allowances granted as hardship relief. You must request hardship relief before exceeding your TPEM allowance. Please plan for at least a 90 day review of any hardship application.
6. Identify and state any exceedances of TPEM limits on the number of engines used in aggregate by the parent company and all of its subsidiaries and licensees for each year of the TPEM program.
7. Identify and state any expected exceedances of TPEM limits on the number of engines at conclusion of participation.

## Section A3. Equipment Subject to Hardship Request

1. From Section 1, 4(g) fully describe by model the equipment above that is the subject of this hardship application.
  - a. Model identifier and description of each piece of equipment.
  - b. Include by EPA Engine Family name every engine by any engine manufacturer installed into this equipment in the past five years.
  - c. List power ratings assigned to each model in the past five years.
  - d. List production volumes for each model for past five years.
  - e. For each piece of equipment, list whether it is available with multiple engine options. For example, do you offer the equipment with an optional Kubota, Cummins, CAT, Deere, or other engine?
2. Is this the identical equipment you were manufacturing during your prior TPEM participation?
3. Are you requesting hardship relief for a model newly introduced into the market, a model that you intend to continue to produce using a Tier 4 compliant engine, or a model that will be phased out of production?
4. From Section 1, 7(a) provide the sales history for each equipment model for which you are requesting hardship relief for the past five years.
  - a. State any anticipated increase in sales if hardship is granted.

## Section A4. Basis of Hardship request

1. State in full, complete, concise detail your original 7 year plan under 40 CFR 1039 to become fully compliant by the expiration date of your TPEM participation.
  - a. A major component of the request is establishing a timeline that can be easily understood.
  - b. On a model-by-model basis, supply two single-line GANNT Charts to provide a visual timeline
    - i. Top line to show original planned participation in TPEM which will usually encompass a nine year timeline including activities leading up to production
    - ii. Bottom line to show actual production schedule with readily-identifiable delays (i.e., circumstances clearly outside your control) inserted showing the “pushing out” of production schedule.
  - c. The request needs to show that absent one or more unanticipated circumstances that were clearly beyond your control, prudent business practices would have resulted in meeting the regulatory requirement.
2. State when and how you became aware of any issues affecting your efforts to achieve compliance. Attach and submit full documentation.
3. State the Extreme and Unusual Circumstances you are experiencing that prevent you from bringing the equipment listed in Section 3, 1 into compliance.
4. The request should thoroughly document when delays occurred, why they occurred, how the issue was resolved, and the current state of events.
  - a. For each delay include full contact information at source of delay for verification.
5. State how these circumstances are completely outside your control. (Note: mergers and acquisitions are not outside the control of the company)

6. Compare the design processes of the equipment model for which you need additional exemptions and that for other models for which you do not need additional exemptions. Explain the technical differences that justify your request.
7. State all steps taken to minimize the scope of your request
  - a. When exactly did your company learn about the additional delay for Tier 4 prototypes? If this is the basis for your request, please document well
8. Provide the following information about prototype engines for each equipment model:
  - a. List when the compliant prototype engine was ordered
  - b. Dates of promised delivery of compliant prototype
  - c. When the prototype engine was received
  - d. When the prototype equipment was built
9. Provide the following information about compliant production engine for each equipment model
  - a. State if compliant engine is certified, in production, and available
  - b. Dates of promised delivery of compliant production engines
  - c. Dates of actual delivery of compliant production engines
  - d. Estimated start of production for the compliant Tier 4 equipment
  - e. Number of TPEM allowances (specified in units, not percentage) requested for the specific piece of equipment

## Section A5. Alternative Compliant Engine

1. State all alternative engine suppliers you have considered:
  - a. Please provide the names of the alternative engine manufacturers contacted and the dates they were contacted
  - b. List all alternative engines considered by EPA Engine Family name
  - c. Describe the reason why any engines were not selected for development and explain fully why these certified engines are not compatible and cannot be used.
    - i. Customer preference may not be considered in a hardship application
    - ii. Fully explain any engineering difficulties in incorporating any alternative engine
    - iii. Submit full documentation of any timeline impacts for incorporating alternative engines
  - d. Please provide written documentation of this consideration, such as a copy of an email or letter from each engine manufacturer.
2. Are the engines you normally incorporate uniquely designed and manufactured for your equipment (e.g., unique bell-housing, PTO, etc.) or are these mass production engines?

## Section A6. Efforts to Minimize the Relief Needed

1. Provide the number of new employees hired to overcome the unanticipated impacts and used to minimize your need for relief. Explain the role of these employees (i.e., engineers, drafters, etc.)
2. Number of technical staff such as engineers and drafters you employ and number of technical staff assigned to the equipment models that are the subject of this request.
3. List all equipment models you've transitioned to using compliant engines from an alternative engine supplier.
4. List all equipment models you currently manufacture with compliant engines.
  - a. Supply date compliance achieved.
  - b. Supply EPA Engine Family name for each compliant model.

- c. Have you continued to produce this equipment with exempted engines after the date Tier 4 engines could be introduced into the product?

### Section A7. Scope of Hardship Request

1. Hardship relief is granted on a model-specific basis. Submit your request in that fashion.
2. The scope of the request - please explain in detail how you arrived at the number (engine quantity) of your request.
3. List by EPA Engine Family name identifier the engines this hardship request will authorize
  - a. State what Tier and by EPA Engine Family name identifier the hardship engines you will incorporate
4. State your request for additional allowances in terms of the minimum volume necessary to span the period of hardship.
5. Do not include in your request any expected increase in sales, hardship will not be approved to increase any market share or sales increase.

### Section A8. Effect of Approval or Denial of Hardship

1. Please explain the business measures your company would employ if your application were to be denied (e.g., idle production line, deploy unique financial measures, lay off employees, etc.).
2. Please explain the potential for you company to reduce the impact of a denial by exporting products or otherwise maintaining production of other products.

### Section A9. Other Relevant Information

1. Include any other information which may be relevant to your application.



## SECTION B – Economic Hardship Relief (1039.630 & 1068.255)

After reading 40 CFR Parts 1039.630 and 1068.255, please provide concise and clear answers to the following questions. Some regulatory requirements have already been addressed in the Technical Section (Section A of this document), and are therefore not repeated in this section. However, some questions are similar to those in Section A. Please note that in Section A, we seek answers from a technical perspective, if one exists. In this Section B, we seek answers based on your company's financial situation.

### Section B1. Overview & Unusual circumstances

1. Briefly describe why your company needs economic hardship relief and the unusual circumstances that brought about your company's impending hardship. In other words, explain what's going on and why. Please submit any documentation you deem relevant to prove your situation, in addition to the documentation listed below.
  - a. State whether there was any breach of contract by a supplier.
  - b. The amount of time you had to redesign your equipment to accommodate complying products.
  - c. Whether industry trends are affecting your sales.
2. Explain your company's role, if any, in creating the impending hardship. To receive hardship relief, your company must not be at fault for the impending violation/hardship.
3. Describe your efforts, if you haven't elsewhere in this application, to find and assess complying engines from other manufacturers that could be used in your equipment.
4. Explain any other efforts you have undertaken to prevent or minimize the economic impact of the situation you are facing.
5. Describe the scope of the relief you are seeking:
  - a. The number of additional exemptions (flex engines/pieces of equipment).
  - b. The amount of time you need relief for.
6. Briefly explain the consequences of not getting hardship relief and state how you determined the extent of those consequences (e.g., financial forecasts, industry studies, etc):
  - a. For your company (e.g., cease of operations, bankruptcy or serious economic impact, furloughs, layoffs, etc).
  - b. For the marketplace/customers (e.g., loss of a unique product, marketplace not able to meet demand, etc.)
  - c. Companies that do business with you upstream or downstream (e.g., suppliers, dealers)
7. If approved, economic hardship relief is available for only 12 months or 24 months for small volume manufacturers. Will your company be able to avoid hardship after that period? What will happen after the 12 months are over?

## Section B2. Financials

1. State the cost of bringing your equipment into compliance in the absence of hardship relief.
  - a. Include the costs you have incurred so far in your efforts to redesign your equipment as well as the costs you expect to incur for the remaining redesign efforts.
  - b. Compare that cost to the cost of bringing into compliance other lines of equipment you produce, if any. Explain any differences.
2. Describe your company's ability to endure hardship. In your answer, please address the following:
  - a. If your company or conglomerate has an international presence, could International sales make up for the loss of revenue/profits caused by the impending hardship?
  - b. Would your parent or sister companies assist your company financially throughout the hardship period until the issues are resolved?
3. Please submit information and documentation that will give us a clear picture of the financial health of your overall company for at least the last 3 years, (we might request additional years if we deem the information necessary to examine any relevant patterns identified throughout the evaluation process), including but not limited to:
  - a. SEC form 10-K
    - i. If your company is publically traded, include your company's SEC 10-K filings for the applicable years.
    - ii. If your company is not required to file reports with the SEC, and you have not prepared these kinds of statements before, please visit <http://www.sec.gov/investor/pubs/begfinstmtguide.htm> for an overview and definitions.
  - b. Balance sheets, which clearly state assets, liabilities, capital/cash accounts, and net worth/shareholders' equity
  - c. Income statements, clearly indicating profits or losses
  - d. Statement of changes in financial position, which clearly show cash flow, sources and uses of funds.
  - e. Forecasted financial statements for the period of anticipated hardship
    - i. Clearly show your company's expected financial position with and without hardship relief.
    - ii. Include in your analysis any measures you plan to adopt if your application for hardship relief is not granted.
  - f. Clearly state the income you expect to receive from the sale of the additional exempted equipment if your application is approved. Include:
    - i. The current cost and sales price of compliant equipment
    - ii. The current cost and sales price of the noncompliant equipment