

**UNITED STATES OF AMERICA
ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF TRANSPORTATION**

Greenhouse Gas Emissions)	
Standards and Fuel Efficiency)	Docket No.: EPA-HQ-OAR-2010-0162
Standards for Medium and Heavy-Duty)	NHTSA-2010-0079
Engines and Vehicles)	
)	Public Hearings: November 15 and 18, 2010

**ORAL STATEMENT OF THE
ENGINE MANUFACTURERS ASSOCIATION
and
TRUCK MANUFACTURERS ASSOCIATION**

I am Jed Mandel, speaking today on behalf of the Engine Manufacturers Association and the Truck Manufacturers Association. EMA's and TMA's members manufacture the heavy-duty engines and vehicles that are the subject of today's rule. Our members were instrumental in working with EPA, NHTSA, our customers, and other stakeholders to help get to this historic point.

We were honored to join President Obama on May 21, 2010 and participate in his announcement of a combined EPA/DOT rulemaking to establish a uniform national program to reduce greenhouse gas emissions under the Clean Air Act and to improve fuel efficiency under the Energy Independence and Security Act.

EMA and TMA members are no strangers to working with EPA and NHTSA on successful and innovative programs. With our support, the United States has implemented the world's most stringent emission control program, resulting in a 99% reduction of NOx and PM emissions from heavy-duty diesel engines. Through our efforts, the United States has implemented two major reductions in the sulfur content of diesel fuel – directly reducing NOx and PM emissions and enabling highly effective aftertreatment technologies. And, we have worked to implement many other innovative diesel emission reduction programs and vehicle safety programs.

We believe that the GHG/FE rules proposed by EPA and NHTSA can be the next success story – for the agencies, for manufacturers, for our customers, and for the public. To be candid, we are still studying the details of today's massive proposal. We are focused on making sure that the final rule gets it right. To that end, we are committed to continuing to work with EPA and NHTSA to assure that a strong, effective and implementable rule is finalized – one that i) recognizes the complex and highly customized nature of the industry; ii) avoids disrupting the existing marketplace or creating unintended consequences; iii) includes leadtime stability, certainty, and compliance flexibility as elements of success; iv) leads to a single nationwide program; and v) provides a path to a global solution to a global problem.

In addition, there are several aspects of today's proposal that we'd like to briefly comment on. First, this is an incredibly ambitious program. Typically, engine manufacturers require no less than four years leadtime and three years period of stability before and/or between the implementation of new regulatory programs. Indeed, those time schedules are specifically included in both the Clean Air Act and the Energy Independence and Security Act. Nevertheless, assuming that the final rule addresses the principles we have articulated, and those that the President outlined in May, manufacturers are willing to work to the incredibly aggressive implementation schedule proposed today, one that will provide only two years leadtime.

Second, under today's program, EPA and NHTSA would, for the very first time, regulate truck tractor emissions and fuel efficiency. As such, an entirely new regulatory scheme, requiring new certification protocols, must be developed and implemented and new vehicle-based certification experts must be identified and trained. Truck manufacturers also will be required to track, measure, and manage the sales of fuel efficiency related options, offered in a myriad of combinations, to meet customer needs. That will be no simple task.

Third, unlike the existing criteria pollutant regulatory program, our customers will scrutinize, assess, measure and, in general, significantly care whether their results – their actual fuel efficiency improvement – are better or worse than what the agencies “advertise” and whether those improvements, in fact, will pay for themselves in real world fuel savings. Unlike any other program to date, the ultimate arbiter of success of this program will be our customers.

Fourth, the heavy-duty engine and vehicle industry, commercial trucking and, indeed, the entire goods movement sector represent a highly complex, sophisticated, and highly customized market where operators invest in capital goods to make a profit. The agencies must assure that their greenhouse gas/fuel efficiency program does not, inadvertently, disrupt the existing marketplace or create unintended consequences.

Finally, we wish to note three important factors looking ahead. One, the truck and engine manufacturing industry is a global industry. Greenhouse gas emissions are a global problem. We need a global solution. We encourage EPA and NHTSA to work with their colleagues in Europe and Asia to assure that manufacturers can build one product, test and certify it once, and sell it worldwide. Two, tractor-trailer units are an integrated system, combining engine, drive trains and transmissions, tractor and trailer design and technologies, and fuels. EPA and NHTSA should recognize that as the potential need for a second phase greenhouse gas/fuel efficiency program develops, there may be new opportunities for system optimization at a complete vehicle level. Three, significant opportunities for fuel efficiency improvement exist both outside the engine and/or vehicle manufacturers' control and, indeed, beyond anything EPA and NHTSA have yet seriously considered. Speed limitation, highway weight and length requirements, infrastructure improvements, congestion control and the like should all be considered as opportunities for additional improvements.

Engine and vehicle manufacturers have long focused on improving fuel efficiency. It is essential to our customers. We have implemented the world's most stringent criteria pollution reduction program without any significant loss in fuel efficiency. We believe that the concepts proposed today can be finalized in workable rules that will expand the use of existing fuel efficiency improvement technologies to a much broader range of products, and which will result in a cost-effective, implementable program providing real greenhouse gas reduction/fuel efficiency improvements. We look forward to working with EPA and NHTSA to ensure that result.

RESPECTFULLY SUBMITTED,

ENGINE MANUFACTURERS ASSOCIATION
TRUCK MANUFACTURERS ASSOCIATION