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FEDERAL COURT RULING LEAVES KEY CLEAN AIR ACT PROVISION IN LIMBO. ENGINE MANUFACTURERS ASSOCIATION EVALUATING FURTHER ACTION

CHICAGO, Ill., October 28, 2002 – The Engine Manufacturers Association (EMA) said today it is evaluating options for further legal challenges in response to a decision by the United States Court of Appeals for the Ninth Circuit. In the opinion issued last Thursday, a three-judge panel affirmed a lower federal court decision upholding the legality of a set of rules issued by the South Coast Air Quality Management District. Those so-called "fleet rules" force private and government fleet owners to only purchase certain types of engines and vehicles approved by the District, even though other available engines or vehicles meet all applicable US EPA and California Air Resources Board emissions standards. EMA argues that such local emission standards violate the preemption provisions of the federal Clean Air Act.

"We are certainly disappointed and surprised by the decision, particularly since the Appeals Court panel did not provide any reasoning for its decision," said Jed Mandel, EMA General Counsel. "We continue to believe that the controversial fleet rules that dictate a customer's selection of new engines or vehicles are no different from banning the sale of such engines and vehicles and violate the clear intent, not to mention the spirit, of the Clean Air Act. If this decision stands, Clean Air Act protections that prevent all government agencies other than U. S. EPA or the California Air Resource Board from specifying what vehicles or engines can be sold are in jeopardy."

"This is not a debate about clean air in Los Angeles," continued Mandel. "The clean diesel technology banned by the fleet rules can be as clean or cleaner than those limited number of options that are allowed. The technology banned by the fleet rules is the very technology that the Chairman of the California Air Resources Board said is poised to be part of the future solution to air quality problems in California in a Wall Street Journal article last week. The real

issue is whether a local air district or government can arbitrarily select a preferred vehicle technology and force the public to only purchase those locally-approved vehicles, even though the US EPA and California Air Resources Board have certified that other vehicles meet all stringent air pollution control requirements."

Local regulations like the fleet rules create obstacles that actually inhibit engine manufacturers' ability to effectively reduce engine emissions, Mandel indicated. "Clearly, allowing each locality across the country to establish its own separate emissions and purchasing requirements would create a chaotic and inefficient patchwork of multiple standards that would force the nation's engine and vehicles manufacturers into an impossible situation. Manufacturers simply cannot cost-effectively create an infinite variety of engines to meet the whim of every locality across the country. This is exactly what Congress intended the Clean Air Act to prevent, and the fleet rules are directly contrary to the intent of Congress to establish uniform mobile source standards to help clean the air."

EMA will consider various options for additional action including asking the Ninth Circuit panel for reconsideration or additional appeals. EMA expects to make a decision on an appropriate course of action in the next two weeks

The Engine Manufacturers Association is a trade association representing worldwide manufacturers of internal combustion engines used in applications such as trucks and buses, farm and construction equipment, locomotives, marine vessels, and lawn, garden and utility equipment. EMA works with government and industry stakeholders to help the nation achieve its goals of cleaner fuels, more efficient engines and cleaner air.

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