

Two North LaSalle Street Suite 2200 Chicago, Illinois 60602 Tel: 312/827-8700 Fax: 312/827-8737

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CONTACT: Kevin Kokrda 312-827-8700

NEW EMA STUDY FINDS UREA INFRASTRUCTURE CAN ACCOMMODATE PROJECTED NONROAD ENGINE DEMAND

Chicago, IL, July 31, 2007. The Engine Manufacturers Association (EMA) today released a study demonstrating that the projected infrastructure for urea, a key reagent used in pollution control equipment to reduce emissions of nitrogen oxides (NOx), will be sufficient to handle the additional urea demand resulting from the use of Selective Catalytic Reduction (SCR) in the non-road diesel market. Engine and equipment manufacturers are considering the use of SCR to meet EPA's stringent new Tier 4 emissions standards for diesel-powered nonroad equipment.

The EMA commissioned study, <u>Nonroad SCR-Urea Study</u>, was prepared by TIAX LLC's office in Cupertino, California, and examined the increased demand for urea should farm, construction, and other nonroad diesel equipment utilize SCR emissions control technology. TIAX examined the changes in market conditions and projected demand to determine the potential infrastructure needs to deliver urea to nonroad users.

"SCR is one technology option being considered by engine and equipment manufacturers to reduce nitrogen oxide emissions from both on-highway and nonroad diesel engines," said Jed Mandel, EMA President. "Manufacturers, end-users and regulators need to be assured that urea supplies will be accessible across the United States. The new TIAX report examines the supply, market conditions, and options regarding nonroad urea distribution, and concludes that the infrastructure developed to meet on-highway urea needs also can meet the nonroad urea market demand by the time that equipment owners will need it."

The final report concludes that the additional demand for urea from the nonroad market will be small compared to the projected on-highway use. Urea production and supplies are adequate to handle the added volumes needed to supply the nonroad market, and the on-highway urea infrastructure is sufficient to accommodate projected nonroad demand.

"Although additional logistical steps are required to transport urea to nonroad equipment worksites, the nonroad demand for urea will not strain the expected urea supply or distribution systems needed for on-highway vehicles. The results of the analysis assure manufacturers and EPA that urea supply issues are not a stumbling block in the utilization of SCR in nonroad engines and equipment," continued Mandel. "The study provides some key information needed by manufactures and regulators regarding the use of SCR to meet the EPA Tier 4 nonroad NOx emissions standards.

A copy of the report is available on the EMA website at <u>www.enginemanufacturers.org</u>.

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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, marine vessels, lawn, garden and utility equipment, and stationary generators. EMA works with government and industry stakeholders to help the nation achieve its goals of cleaner fuels, more efficient engines, and cleaner air.

> EMA European Office, C.P. 65, CH-1231 Conches, Switzerland Telephone: +41 22 784 3357 Facsimile: +41 22 784 3349