

**EMA POSITION DESCRIPTION**  
**LEGACY PRODUCTS**

**ISSUE**

Government concern regarding emissions from existing diesel vehicles and equipment produces regulatory efforts to reduce emissions through product retrofits and usage restrictions. EMA supports nationally consistent, voluntary, well-funded programs that promotes technologically feasible and effective retrofit, repower, and replacement choices.

**EMA Position**

EMA believes the improvement of ambient air quality is an important national goal and that reducing emissions from legacy equipment can help achieve that goal. Technologies and operating practices exist that are verified or certified to provide reduced emissions from existing diesel engines.

EMA supports a nationally consistent program that encourages and financially supports end users, led by the public sector, in implementing cost effective and efficient technologies and practices that reduce diesel emissions.

EMA supports programs that target emissions reductions from gross emitters and believes that solutions affecting these sources should be a top priority.

EMA should take an active role as a collaborative participant in a range of national and regional programs supporting this position with clear connection to quantifiable air quality improvements.

**EMA LEGACY PRODUCTS POSITION**  
**ELEMENTS OF A SUITABLE RETROFIT PROGRAM**

- Voluntary and incentive-based
- Capable of being implemented on a nationwide basis, but could be satisfactory if implemented uniformly in states or regions that need such a program
- Capable of being implemented without extraordinary testing, verification, or quantification requirements and should use existing EPA or CA verifications
- Provides a means for states to get SIP credits
- Defines retrofits broadly to include fuel upgrades, replacement engines and vehicles, as well as add-on technologies and aftertreatment
- Provides a means to assess and allocate funds to incentivize the most cost effective retrofit strategies
- Places high priority on reducing emissions from gross emitters
- Provides a means to allocate some funds towards innovative technologies
- Provides sustainable, consistent and long-term funding
- Provides a broad-based funding source that does not fall on the users who undertake retrofit projects or engine manufacturers
- Provides some form of direct financial incentive to owners of vehicles and equipment that will be retrofitted in the form of cash payment, tax credits, accelerated depreciation, or other direct incentives.

*For Internal EMA Use Only*

**Guiding Principles**  
**For a**  
**Model Retrofit Program**  
**March 2007**

- Government retrofit programs should seek emissions reductions from a broad range of applications through a rewards based, incentivized program that leverages the resources of large-scale nationwide programs.
- Retrofit programs need to address two key impediments to widescale retrofits: A lack of funding to pay for retrofits and the lack of a direct benefit to the user from retrofitting.
- To be successful, an incentive-based program will need to provide a practical and a realistic business justification to owner/operators.
- Retrofit programs should provide all of the following:
  - Sustainable, adequate and stable source of long-term funding.
  - Real, measurable, and enforceable emission reductions.
  - Minimized restrictions on equipment utilization by location.
  - Rewards and/or incentives to users (e.g. fleets, owners). Examples could include: direct funding, tax incentives/relief (federal excise taxes, fuel taxes), depreciation allowances, marketable credits.
  - A formula that prioritizes the available awards/incentives in a way that provides the most cost-effective emission reductions.
  - A broad definition of retrofit that includes repowers, rebuilds, use of aftertreatment technologies, use of clean fuels, and use of alternative fuels and technologies.
  - Harmonization among jurisdictions.
  - The availability and use of the required fuels.
- Government programs should focus on government-owned fleets first (solid waste collection, school buses, public transit, etc.)
- The program should require the use of products and technologies on the EPA or CARB verified products list or accepted by EPA or CARB as emissions reductions products such as repower or rebuild with a lower emissions engine.
- Local governments should not establish separate, additional verification processes
- A performance based approach is preferable to a design-based approach.

*For Internal EMA Use Only*

- The program should not “pick winners” or specify a technology solution.
- The program should provide stability for manufacturers of control options, certainty for end users, and sufficient notice to all stakeholders:
  - Manufacturers of emission control technologies need market stability to achieve a return on their investment in the development of the technology.
  - End-users should not be burdened with constantly shifting compliance requirements e.g. once equipment that has been brought into compliance, it should not face additional requirements as technology advances.
  - The program should avoid approaches that strand investment in existing technologies i.e. (BAT – best available technology).
- The program should promote and incentivize the purchase of new vehicles and equipment and encourage investment in the newest cleanest product:
  - Recognizes the investment made for the purchase of new engine and machine technology.
  - Placing requirements on new engines discourages investment in new cleaner engine technology and encourages the continued use of older, higher-emitting technology.
- The program should recognize that:
  - Not all existing engines can be retrofitted.
  - On-road solutions outpace off-road solutions.
  - One retrofit solution does not fit all.