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CONTACT
press@emamail.org
202-317-0774

Truck and Engine Manufacturers Association Outline Pathway to a Workable EPA Emissions Rule

Association affirms commitment to help develop effective rule, warns against an overly-stringent standard that could adversely impact jobs, the economy, and the environment.

CHICAGO, IL – The Truck and Engine Manufacturers Association (EMA) today released extensive comments and supporting data on the U.S. Environmental Protection Agency's (EPA) <u>new proposed rule</u> to establish revised nitrogen oxide (NO_x) tailpipe emissions standards for medium- and heavy-duty commercial vehicles. <u>Read a one-page overview of the proposed rule</u>.

"EMA is committed to working with EPA and other stakeholders to assure adoption of a final rule that is appropriately stringent and will help address the nation's needs for reducing NO_X emissions from new heavy-duty on-highway diesel engines," said **EMA President Jed Mandel**. "Our comments and accompanying data are submitted in that spirit of collaboration and constructive action with the goal of advancing clean air goals in all communities."

In its comments, EMA identifies several areas of agreement with EPA's rulemaking. The group agrees (1) a more stringent national NO_X standard is necessary to advance clean air goals, especially in marginalized communities suffering from higher levels of pollution; (2) the remaining 1-2% of NO_X emissions can be significantly reduced by as much as 75% beginning in Model Year (MY) 2027 vehicles; and (3) emission warranty and useful life periods for commercial vehicle engines should be expanded to increase the durability and efficacy of in-use emissions compliance.

EMA warns that a rulemaking that is aligned with EPA's Option 1 proposal, which would require a two-phased reduction in NO_X emissions through MY 2031, could have unintended consequences for the industry, jobs and the economy, progress to zero-emissions vehicles, and could ultimately lead to environmental backsliding. The group advocates firmly for EPA to finalize one set of NO_X standards to take effect in MY 2027, "not multiple regulatory steps with multiple standards phasing-in through 2031 and beyond."

The comments highlight several topline concerns with EPA's Option 1 proposal, including:

- Technological Feasibility: EMA provides data to illustrate the proposed Option 1 standards along with their related in-use emissions requirements are not technologically feasible and cannot be produced by manufacturers. "EPA has not and cannot fully demonstrate the feasibility of the Option 1 NO_X standards through testing with the "Stage 3" prototypes ... EPA has failed to demonstrate the feasibility of maintaining compliance with the Option 1 NO_X standards through the proposed extended useful life ... EPA has conducted no in-vehicle testing whatsoever, has not demonstrated that the "Stage 3" prototype can meet the Option 1 NO_X standards while also meeting the current Phase 2 GHG requirements."
- **Cost Effectiveness:** EMA shares research that confirms Option 1 would result in an approximate \$42,000 per-vehicle cost increase for heavy-duty vehicles, when factoring in increased operating

costs. The data also shows, if trucking fleets avoid purchasing new EPA-certified vehicles due to cost or reliability concerns, up to 220,700 workers could be laid off.

- Environmental Impact: EMA's comments also include research from Ramboll that shows environmental benefits under an Option 1 standard would be lower than the benefits under a more realistic Option 2 standard. If an Option 1 standard results in significant "low-buy," a trend in which trucking fleet owners avoid purchasing new vehicles certified to meet the more stringent EPA emissions standard, NO_X emissions could increase by as much as 11.69 because of delayed fleet turnover and older, higher-emitting trucks staying on the road longer.
- Regulatory Stability: EPA's rulemaking also proposes reopening the GHG Phase 2 standards, which incentivized manufacturers to develop zero-emission vehicles (ZEVs). Now that manufacturers have risen to the occasion, the Agency proposes reopening to further tighten the Phase 2 standards. "That is fundamentally unfair. Manufacturers have relied on the stability of the Phase 2 provisions to formulate their product plans out to 2027 and beyond ... No federal agency should feel unilaterally empowered to move the regulatory finish line well after the regulated industry's march toward compliance has begun."
- **ZEV Progress:** The Option 1 proposal will require manufacturers to completely redesign engines and exhaust aftertreatment systems in an effort to meet an unworkable NO_X emissions standard. This will pull manufacturers' limited research and development resources away from needed advancements of medium- and heavy-duty ZEV technologies at a time when tremendous progress is underway toward building the full suite of ZEVs capable of meeting the diverse demands of the industry. "All stakeholders recognize that diesel technologies will start to phase-out over the next decade. The scope and costs of this rulemaking need to account for and reflect that reality as well."

"EMA supports efforts to reduce tailpipe emissions and has a history of working collaboratively with EPA to support environmental goals," **Mandel** said. "A successful rule must be cost-effective, technologically feasible, and customer acceptable to reach our clean air goals without hurting blue collar jobs. We urge EPA to listen to the feedback provided in these comments – feedback and insights developed directly from those who are responsible for building these engines and paving the way for a ZEV future that will eliminate *all* harmful pollutants from commercial vehicles. This is an opportunity to develop a workable rule that will be a bridge – not a barrier – to that ZEV future."

<u>Click here</u> for an executive summary of EMA's comments to EPA. To read the comments in full, <u>click</u> here.

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The Truck and Engine Manufacturers Association (EMA) represents the world's leading manufacturers of mediumand heavy-duty commercial vehicles, internal combustion engines, and zero-emission powertrains. EMA works with governments and other stakeholders to help the nation achieve its goals of cleaner air and lower greenhouse gas emissions, and to ensure that regulatory standards are technology feasible, cost effective, and successful. By continually improving commercial vehicle and powertrain technologies, EMA's members are in the forefront of providing clean and efficient products that meet their customers' business needs and protect the environment.