NACAA
national association of clean air agencies



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U.S. Environmental Protection Agency
EPA Docket Center
Air and Radiation Docket
Docket ID No. EPA–HQ–OAR–2015–0827
1200 Pennsylvania Avenue, NW
Washington, DC 20460

To Whom It May Concern:

The National Association of Clean Air Agencies (NACAA) is a national, non-partisan, non-profit association of state and local air pollution control agencies in 45 states, the District of Columbia and four territories. The members of NACAA have primary responsibility under the Clean Air Act for implementing our nation's clean air program. The air quality professionals in our member agencies have vast experience dedicated to improving air quality in the U.S. These comments are based upon that experience. The views expressed in these comments do not represent the positions of every state and local air pollution control agency in the country.

NACAA appreciates this opportunity to respond to the U.S. Environmental Protection Agency's (EPA) *Request for Comment on Reconsideration of the Final Determination of the Mid-Term Evaluation of Greenhouse Gas Emissions Standards for Model Year 2022-2025 Light-Duty Vehicles; Request for Comment on Model Year 2021 Greenhouse Gas Emissions Standards*, published in the *Federal Register* on August 21, 2017 (82 Fed. Reg. 39,551). Many of NACAA's members have local, state or regional greenhouse gas (GHG) emission reduction goals reliant on Model Year (MY) 2022-2025 light-duty vehicle (LDV) standards, and in many instances mobile sources are the largest single sector. A change in these standards would necessarily cause these governments to seek reductions in other sectors as would a change to the MY 2021 standards.

The LDV GHG emission standards in question – those for MYs 2022-2025 and, separately, those for MY 2021 – are part of a broader rulemaking that EPA, jointly with the National Highway Traffic Safety Administration (NHTSA), finalized in 2012 establishing LDV GHG standards for MYs 2017-2025. That rule included a commitment by EPA to conduct a Mid-Term Evaluation (MTE) of the GHG emission standards for MYs 2022-2025. Based on the evaluation, EPA was to make a Final Determination on whether the standards remain appropriate or should be more, or less, stringent. On January 12, 2017, EPA issued a Final Determination that the GHG emission standards for MYs 2022-2025 "remain feasible, practical and appropriate under Clean Air Act Section 202(a) and do not need to be revised."

EPA announced its intent to reconsider the Final Determination on the MTE on March 22, 2017 (82 Fed. Reg. 14,671). The comments presented here are consistent with past comments provided to EPA by NACAA.[1] Reconsideration of the Final Determination on the MTE and of the MY 2021 standards is unnecessary and disruptive to the automotive marketplace, and for technical, economic and environmental reasons the fully harmonized standards established in 2012 should be implemented as adopted and on schedule.

Reconsideration of the Final Determination on the MTE of the MY 2022-2025 LDV GHG Standards

Over the past decade or more EPA, in collaboration with NHTSA and the California Air Resources Board (CARB), has taken effective steps to reduce vehicle GHG emissions and increase fuel efficiency. (As well, 12 states and the District of Columbia have used their authority under Section 177 of the Clean Air Act to opt into California's Low Emission Vehicle program and have partnered in the effort to harmonize standards under the design of a national program.) The U.S. transportation sector is a significant contributor of GHG emissions – in most areas comprising at least one third, and in many cases over 40 percent, of the GHG inventory – and LDVs are a key component of that. With respect to the 2012 rule, state and local members saw benefits in the resulting increases in fuel economy and were convinced by the overall cost-benefit ratio and cost savings that were forecast to accrue to consumers. In addition to the GHG benefits these standards provide, the positive collateral non-GHG environmental impacts of the rule as promulgated, including very important co-beneficial $NO_x$ reductions, will lead to critical contributions to attainment and maintenance of the 2008 and 2015 ozone and 2012 particulate matter National Ambient Air Quality Standards, as well as equally important reductions in toxic air pollution, achievement of regional haze goals and reduction in the eutrophication of water bodies.

Among the factors cited to support the Final Determination in early 2017 are that the MY 2022-2025 standards are feasible and cost effective and the auto industry is thriving and meeting the standards more quickly than required.

Automakers are firmly on track to meet the MYs 2022-2025 standards. Through the innovation of the auto industry, technology has, and continues to, advance very quickly – at a far greater pace than anticipated when the standards were adopted in 2012 – and automakers are adopting these technologies into their fleets faster than expected. In addition, manufacturers of emission control and fuel efficiency technology and equipment have made great advances and substantial commitments to R&D and capital investments.

The technologies needed to comply with the MY 2022-2025 emission standards are already available and in greater use today than originally expected. Further, technologies not even contemplated in 2012 now provide tremendous opportunities for the current rule and beyond. These include technologies such as

[1] NACAA's December 23, 2016 written comments on EPA's *Proposed Determination on the Appropriateness of the Model Year 2022-2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation* are available here.
NACAA's September 26, 2016 written comments on the EPA-CARB-NHTSA *Draft Technical Assessment Report: Midterm Evaluation of Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards for Model Years 2022-2025* are available here.
NACAA testified and submitted written comments on EPA's and NHTSA's December 1, 2011 proposed rule, *2017 and Later Model Year Light-Duty Vehicle Greenhouse Gas Emissions and Corporate Average Fuel Economy Standards*. The January 19, 2012 testimony is available here, the January 24, 2012 testimony is available here and the January 24, 2012 written comments are available here.

"Skyactiv" – high-compression, direct-injection engines; Atkinson cycle engines; new ways to get more power from smaller engines, including downsped and downsized engines with new turbocharger designs; cylinder deactivation; continuously variable transmissions; lightweighting; predictive cruise control; and 48-volt mild hybrid systems. It is anticipated that even more technologies will emerge before 2022 just as those identified above did to meet the current standards. Further, the 2012 rule was predicated on little reliance on hybrid and electric vehicles, and the analyses supporting the Final Determination show that the MY 2022-2025 standards on the books can be achieved largely through the deployment of more efficient gasoline-powered cars. Increased sales of hybrid and electric vehicles, which many state and local agencies are supporting, will only make the standards easier to achieve.

The Final Determination also concludes that the design of the national program, as established in the 2012 rule, is working to preserve consumer choice while, at the same time, reducing emissions and fuel consumption. We note that the flexibility of the rule allows consumers to purchase the vehicles of their choice while ensuring substantial environmental benefits from all vehicle classes and weights. This important aspect of the rule creates the ability to garner significant, technologically feasible and cost-effective environmental benefits, as well as cost savings to consumers. This will occur even if the mix of vehicle sales changes, as it has since 2012, with more larger vehicles, like SUVs and light-trucks, now being purchased compared to smaller car purchases that were dominating vehicle sales several years ago when fuel prices were higher. The regulatory harmonization of the program among EPA, NHTSA and CARB provides regulatory certainty and streamlining that benefits manufacturers, states and federal regulators.

With respect to costs, we note that the analysis updated by EPA for the Final Determination showed the average per-vehicle cost to meet the MY 2025 standards is $875, which is less than the cost estimated in the 2012 final rulemaking (approximately $1,100) and the draft Technical Assessment Report ($920). EPA's conclusion that the net benefits of the program far exceed the costs, thus confirming that the standards will provide substantial benefits to consumers and the public, with consumers saving $1,650 over the lifetime of a new vehicle.

In its August 21, 2017 *Federal Register* notice seeking comment on reconsidering the Final Determination, EPA invites comments on 10 additional factors for consideration. The purpose of the MTE was to determine whether the MY 2022-2025 standards are appropriate under Clean Air Act Section 202(a) in light of the record before the Administrator. It did that. The 10 additional factors do not appear to add technical or economic value relevant to the MY 2022-2025 standards and therefore should not be considered.

EPA also seeks comment on "the use of alternative methodologies and modeling systems to assess both analytical inputs and the standards, including but not limited to the Department of Energy's (DOE's) Argonne National Laboratory's Autonomie full vehicle simulation tool and DOT's CAFE Compliance and Effects Model." We appreciate EPA working with its sister agency, DOE, in assessing the MY 2022-2025 standards and EPA should consider information provided by DOE, but should continue to be the lead decision-making agency for emission standards and rely primarily on EPA's own modeling.

Another issue of note is fuel savings by consumers. In the Final Determination, EPA projected oil consumption would be reduced by 50 billion gallons and would save U.S. consumers almost $92 billion in fuel costs over the lifetime of MY 2022-2025 vehicles. As indicated above, the agency further projects that an owner of a MY 2025 vehicle will experience a net savings of $1,650. If the MY 2022-2025 standards are weakened this cost savings to consumers, something they have been promised and are now expecting, will not materialize and the dollars lost will not be available for consumers to spend in their local economies.

The MTE of the MY 2022-2025 standards was the most comprehensive evaluation ever undertaken by EPA and NHTSA. This evaluation demonstrates, with significant evidence, that the standards are appropriate under the Clean Air Act. Stakeholders had four years to provide data to the record of that initiative and, as a result, the record itself could not be more robust and should not be ignored

Whether the MY 2021 GHG Standards Are Appropriate

EPA is also seeking comment on the separate question of whether the LDV GHG standards for MY 2021, as established in the 2012 rule, are appropriate.

The 2012 rule provides for the MTE of the MY 2022-2025 standards. When that rule was promulgated all stakeholders, including the automakers, agreed that the MTE would be limited to MYs 2022-2025. The MY 2021 standards are appropriate, and should be implemented as adopted. The MY 2021 standards are technologically feasible and, in fact, there is already a great deal of product available in the marketplace that meets these standards. Further, automakers already have production plans out to MY 2021 that account for these standards. Finally, stability and harmonization of standards are long-time goals of the national motor vehicle program. Considering this, there continues to be no need for further evaluation of the MY 2021 standards.

On behalf of NACAA, we thank you for this opportunity to provide these comments. If you have any questions please feel free to contact us, or Nancy Kruger, Deputy Director of NACAA, at (202) 624-7864.

Sincerely,

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