

**Testimony of
Steven E. Flint
on behalf of the
National Association of Clean Air Agencies
before the
U.S. Environmental Protection Agency (EPA) and the
U.S. Department of Transportation's
National Highway Traffic Safety Administration (NHTSA)
on the Joint EPA/NHTSA Proposed Rulemaking to Establish
Light-Duty Vehicle Greenhouse Gas Emissions Standards and
Corporate Average Fuel Economy Standards
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Good morning. I am Steve Flint and I am a member of the Mobile Sources and Fuels Committee of the National Association of Clean Air Agencies (NACAA). NACAA is the association of air pollution control agencies in 53 states and territories and over 165 metropolitan areas across the country. I am also the Director of the Bureau of Mobile Sources and Technology Development of the New York State Department of Environmental Conservation. On behalf of NACAA, thank you for this opportunity to testify on EPA's and NHTSA's joint proposal to establish light-duty vehicle greenhouse gas (GHG) emissions standards and corporate average fuel economy standards. Our association strongly supports timely and effective action to curb GHG emissions from light-duty vehicles and, therefore, supports this proposal.

Global warming is the most pressing environmental issue facing our generation. The Intergovernmental Panel on Climate Change (IPCC) stated in 2007 that the evidence that global warming is already affecting our planet is "unequivocal, as is now evident from observations of increases in global average air and ocean temperatures, widespread melting of snow and ice, and rising global average sea level." And since the IPCC report was released, even more compelling research and evidence have accumulated demonstrating that we need to act now to reduce GHG emissions.

As EPA data confirm, all told, the mobile source sector is responsible for approximately 36 percent of total U.S. GHG emissions, taking into consideration upstream transportation fuel emissions (such as those associated with extraction, shipping, refining and distribution), as well as nonroad mobile sources (including construction, farm and lawn and garden equipment). This level exceeds electricity generation, which accounts for approximately 34 percent of total U.S. GHG emissions. Given this significant contribution, a comprehensive regulatory strategy to reduce GHG emissions from the mobile sector must be developed and implemented without delay.

For this reason, NACAA applauds EPA and NHTSA for this landmark federal proposal which, in addition to improving the fuel economy of cars and light-duty trucks, also puts in place the first-ever national program for reducing motor vehicle GHG emissions. The proposed standards to reduce GHG emissions from light-duty vehicles in model years 2012 through 2016 are a very commendable first step forward in what must be an ongoing effort to make light-duty vehicles and, in fact, our nation's entire mobile source fleet and fuels as clean and "green" as possible.

We are confident that these standards can be implemented with success, given EPA's proven 30-year-plus track record of establishing and implementing motor vehicle emissions standards under Title II of the Clean Air Act. The technical research and analysis that EPA has conducted illustrate the agency's thoughtful deliberation of various approaches for this program, leading to a proposed set of national light-duty vehicle GHG emissions standards that can be achieved with known and available technologies.

Moreover, the automobile manufacturers themselves have endorsed the establishment of a national program for vehicle GHG emissions standards and Corporate Average Fuel Economy standards. In commitment letters signed on May 18, 2009, automakers and the trade associations that represent them stated that they "recognize the benefit for the country of a National Program to address GHGs and fuel economy and the historic announcement of EPA and NHTSA's intent to jointly propose a rule to set standards for both. They further stated that they "fully support proposal and adoption of such a National Program," that they "welcome this opportunity to be a partner in helping to advance a harmonized National Program" and that they "commit to working with EPA and NHTSA, the states, and other stakeholders to help our country address global climate change and the need to reduce oil consumption by developing this kind of strong, coordinated, national program for the model years after 2016."

NACAA believes that Title II of the Clean Air Act provides EPA with broad statutory authority, and appropriate discretion, to address emissions from mobile sources and fuels. The Act is particularly well suited for regulating motor vehicle GHG emissions. Over the past four decades, utilizing the tools and flexibilities embodied in the Act, EPA has developed comprehensive and effective programs that have very successfully and cost effectively reduced criteria pollutant and precursor emissions from mobile sources and fuels. In addition, the Act's wise provisions giving authority to states to go beyond federal standards have also been used to evaluate and implement potential strategies and garner additional important reductions.

These same authorities can now be used successfully by EPA and the states to address the significant, long-term challenges associated with reducing GHG emissions from mobile sources and fuels. We commend EPA for the thorough and clear manner in which it assessed and utilized the tools provided by the Act in developing this proposal. These tools allowed EPA to, among other things, address carbon dioxide (CO₂) and other GHG emissions, including hydrofluorocarbons, methane and nitrous oxide; provide for the phase out of credits for flexible-fueled vehicles by the end of 2015; and find ways to accommodate manufacturers needing additional time to comply other than simply allowing them to pay to pollute.

What's more, EPA estimates that over the lifetime of the vehicles sold from 2012 through 2016, the proposed standards would reduce U.S. CO₂ emissions by 950 million metric tons, conserve 1.8 billion barrels of oil and cut CO₂ emissions from our nation's light-duty fleet by over 20 percent by 2030.

We also believe that this historic proposal is significant in that it is the direct result of state leadership and innovation. This leadership and innovation occurred because of the explicit authority provided to California and other states under the Clean Air Act.

In 2005, California adopted regulations requiring a reduction in the fleet average generation of GHGs per mile in motor vehicles sold in the state. Those regulations demonstrate that our nation can address global warming while maintaining our quality of life and, at the same time, create jobs, enhance energy security, reduce our dependence on foreign oil and save money for the consumer.

Moreover, California's action paved the way for other states across the country to exercise their statutory authority under Section 177 of the Clean Air Act to opt into California's more stringent vehicle emissions standards. Fourteen states did just that

– including my own state of New York, as well as Arizona, Connecticut, the District of Columbia, Maine, Maryland, Massachusetts, New Jersey, New Mexico, Oregon, Pennsylvania, Rhode Island, Vermont and Washington. Having 15 states lead the way, serving as laboratories of innovation, demonstrates that states and the public are confident that these requirements will work and are important to our climate initiatives, which lends credibility to EPA’s process.

California and the 14 “opt in” states will deem vehicles that comply with the new federal standards to be in compliance with their adopted state standards from 2012 through 2016. But we must emphasize that the Clean Air Act provision of states’ rights to adopt motor vehicle standards – for California under Section 209 and for other states under Section 177 – was crucial in allowing these states to lay the groundwork and create the momentum for this national vehicle GHG emissions reduction program, as it was for many other previous ground-breaking mobile source regulatory programs. Therefore, California’s statutory right to adopt more rigorous motor vehicle standards than the federal government’s, and other states’ statutory rights to opt in to California’s programs, must be acknowledged as the catalyst for innovation and progress, and EPA should join state and local clean air agencies as an active proponent of and champion for the full preservation of these states’ rights.

Over the coming weeks, NACAA will review the proposal with an eye for the details. Among other things, we will examine the identified social cost of carbon, which EPA and NHTSA appear to have valued at \$20 per ton. We question whether this cost is accurate and are concerned about the potential ramifications – on this proposal, as well as on future actions – in that an underestimation of the cost will result in an underestimation of the benefits of reducing GHG emissions. We will also study how and when credits are awarded and used to ensure that the solid framework of this program is not weakened by unnecessary measures. In the meantime, however, we commend the Administration, EPA and NHTSA for their leadership on and dedication to this issue.

On behalf of NACAA, thank you for this opportunity to testify. We look forward to continuing to work with you to put a strong national vehicle GHG emissions reduction program in place in 2012 and to develop more rigorous and comprehensive post-2016 vehicle emissions reduction programs.