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June 27, 2011

Lisa P. Jackson
Administrator
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, NW
Washington, DC 20004

Dear Administrator Jackson:

We write to you today on behalf of the National Association of Clean Air Agencies (NACAA), the organization of air pollution control agencies in 51 states and territories and over 165 metropolitan areas across the country, to urge timely EPA action to enact a federal "Tier 3" rule putting in place another set of light-duty vehicle (LDV) emissions and gasoline standards to control conventional pollutants.

NACAA worked hard to support EPA's efforts to adopt the Tier 2 vehicle emissions and gasoline sulfur standards that are currently in place and have resulted in substantial, cost-effective emissions reductions. Now, we just as firmly support the agency's efforts to seek additional reductions from LDVs and fuels, which continue to be a dominant source of air pollution in most areas of the country. An appropriately rigorous Tier 3 program based on a systems approach will yield critically needed reductions in nitrogen oxides (NO_x), particulate matter (PM), non-methane organic gases (NMOG), toxic air pollutants and gasoline sulfur, greatly enabling state and local air quality agencies' efforts to achieve and sustain clean air goals and protect public health and welfare. We encourage EPA to work closely with California to ensure that the new federal rules are aligned as much as possible. This will enable automobile manufacturers to meet the new requirements at the lowest possible cost.

EPA assumed a Tier 3 program with strong fuel standards in the baseline analysis for attainment of the health-based National Ambient Air Quality Standards (NAAQS) for ozone adopted in 2008. Add to that the fact that states and localities are now facing, or preparing to face, the challenge of meeting new NAAQS for ozone, PM, nitrogen dioxide and sulfur dioxide. In addition, the ongoing increases in tailpipe emissions that EPA has confirmed will result from the federal renewable fuels standard enacted by Congress in the Energy Independence and Security Act of 2007 further compound the need for the Tier 3 program. Moreover, EPA's most recent National Air Toxics Assessment data show that *every person* in the U.S. has an increased cancer risk of over 10 in one million (one in one million is generally considered "acceptable"); the majority of compounds that cause this risk comes from motor vehicles. In short, unless EPA takes full advantage of the opportunities available for establishing a meaningful and effective Tier 3 program, states and localities across the nation

will likely be unable to meet their statutory clean air obligations. This also includes states that may adopt California's LEV III program. These states remain extremely vulnerable to transported air pollution from neighboring regions as well as to emissions from out-of-state vehicles that travel within their jurisdictions. The "LEV states" will also derive air quality benefits from Tier 3 in the form of immediate emissions reductions from the existing vehicle fleet and improved in-use performance from LEV III-Tier 3 vehicles as a result of lower gasoline sulfur concentrations.

Accordingly, NACAA recommends that the Tier 3 program include, at a minimum, the following key components:

- 1) Fleet average tailpipe emissions standards for NO_x, PM and NMOG consistent with those established by CARB in its LEV III programs, as well as more stringent standards for mobile source air toxics;
- 2) An average gasoline sulfur concentration of 10 parts per million or lower – and a commensurate reduction in the gasoline sulfur cap should be considered in conjunction with this – to expand the scope of technologies that can be used to achieve the envisioned tailpipe standards, improve catalyst performance in existing vehicles and also yield near-term air quality benefits in all areas of the country;
- 3) Evaporative emissions standards consistent with California's zero-evaporative standard;
- 4) A new certification fuel that more closely matches real-world fuel by, among other things, including ethanol and accurately reflecting actual retail sulfur levels as well as the removal of methyl tertiary butyl ether; and
- 5) A fuel volatility standard that will maximize the effectiveness of zero-evaporative-emissions technology.

With respect to timing, NACAA urges that EPA develop and adopt this program on a schedule similar to that which the agency and the U.S. Department of Transportation have announced for the next phase (applicable to model years 2017 to 2025) of motor vehicle greenhouse gas emission standards and fuel efficiency standards: a proposal later this year and final promulgation next year (2012), with an effective date in 2016.

The citizens of our nation are counting on us – state and local air agencies – to provide them with clean, healthful air to breathe, and we are relying on you, Administrator Jackson, and your staff to put forth federal Tier 3 emissions standards and gasoline standards that will ensure the magnitude of reductions necessary from LDVs. We look forward to working with you as you proceed with this extremely important endeavor.

Sincerely,



Nancy L. Seidman (Massachusetts)
Co-Chair
NACAA Mobile Sources and Fuels Committee



Barry R. Wallerstein (Los Angeles, CA)
Co-Chair
NACAA Mobile Sources and Fuels Committee

cc: Gina McCarthy
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