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March 18, 2015

Gina McCarthy
Administrator
U.S. Environmental Protection Agency
William Jefferson Clinton Building
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Anthony Foxx
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Administrator McCarthy and Secretary Foxx:

As the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Transportation's (DOT) National Highway Traffic Safety Administration work to develop proposed Phase 2 fuel efficiency and greenhouse gas (GHG) standards for heavy-duty vehicles and engines, we write on behalf of the National Association of Clean Air Agencies (NACAA) to urge you to take full advantage of this opportunity to continue, and build upon, the first phase of national standards, adopted in September 2011, and to offer our recommendations for doing so. NACAA is the national, non-partisan, non-profit organization of air pollution control agencies in 41 states, the District of Columbia, four territories and 116 metropolitan areas. The air quality professionals in our member agencies have vast experience dedicated to improving air quality in the United States. These recommendations are based upon that experience. The views expressed in this letter do not necessarily represent the positions of every state and local air pollution control agency in the country.

Although heavy-duty trucks account for less than 5 percent of vehicles on U.S. roads, according to EPA's data they are responsible for about a quarter of all transportation-related on-road fuel use and GHG emissions and are the second largest source of GHG emissions in the transportation sector after passenger cars and light trucks. These vehicles consume about 2.5 million barrels of oil a day and produce almost a half billion tons of carbon a year.

NACAA supported EPA's and DOT's efforts to adopt the first phase of fuel efficiency and GHG standards for heavy-duty vehicles and engines, which took effect with Model Year (MY) 2014 and are phased in through MY 2018. Now, we firmly support your efforts to further advance this program by establishing Phase 2 standards that would extend to at least 2025. We also encourage your agencies to collaborate with experts at the California Air Resources Board (CARB) given California's unique ability to regulate these same source categories, its decades of experience in doing so and the past success that has been achieved when EPA, and more recently DOT, have collaborated with CARB.

To ensure that our nation reaps maximum benefits from these standards, NACAA recommends that the Phase 2 fuel efficiency and GHG standards, at a minimum, accomplish the following:

- 1) Reduce new truck GHG emissions and fuel consumption across the entire fleet by at least 40 percent, on average, by 2025 compared to 2010; and if the standards will apply beyond 2025, the reductions should be even greater. Reducing GHG emissions can have multiple benefits; reducing a wide range of air pollutants and saving consumers money are two.
- 2) Include vehicle standards as well as complementary engine and trailer standards and incorporate all available cost-effective technologies for engines, vehicles and trailers.
- 3) Include test protocols that reflect the specifications of vehicles as they are sold (i.e., as an integrated system).
- 4) Include a strong and transparent compliance program with manufacturers' accountability.
- 5) If averaging and banking of credits for manufacturers are allowed, limit credit use to ensure that GHG benefits are truly realized.
- 6) Treat fuels such that the climate impacts of a vehicle's entire lifecycle are reflected (e.g., natural gas vehicles).
- 7) Begin implementation of the Phase 2 GHG standards by no later than MY 2019 and trailer standards by no later than MY 2018 (in that trailers are not regulated under EPA's and NHTSA's Phase 1 rule).
- 8) Include requirements to ensure against backsliding on the current 2010 NO_x standards including ensuring the NO_x emission performance of advanced technology vehicles such as hybrids.
- 9) Given EPA's recent proposal to make the ozone and fine particulate matter National Ambient Air Quality Standards more protective of public health, among other things, articulate the need for significantly lower national heavy-duty NO_x standards beyond the current 2010 onroad heavy-duty NO_x exhaust emission standards and nonroad heavy-duty engine exhaust emission standards, and structure the proposed Phase 2 standards in a way that would not preclude or hinder the ability to implement lower NO_x exhaust emission standards either nationally or through the authority granted to California under the Clean Air Act.
- 10) Include a commitment by NHTSA to issue national heavy-duty low rolling resistance tire labeling requirements to better ensure compliance with the vehicle's and/or trailer's certification such that the expected benefits of low rolling resistance tires are achieved over the full useful life of a vehicle.

NACAA looks forward to EPA's and DOT's proposal of a Phase 2 rule consistent with these recommendations and to working with the agencies and other stakeholders to finalize a rule by spring 2016. In the meantime, we welcome the opportunity to meet with you or your staff to discuss NACAA's recommendations further.

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: Janet McCabe (EPA OAR)
Mark Rosekind (DOT NHTSA)
Chris Grundler (EPA OAR OTAQ)