

January 22, 2013

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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) to urge you to propose the Tier 3 vehicle emissions and gasoline standards as soon as possible this winter and promulgate the final rule no later than December 31, 2013. NACAA is the organization of air pollution control agencies in 43 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 comments are based upon that experience. The views expressed in this document do not necessarily represent the positions of every state and local air pollution control agency in the country.

In October 2011, NACAA released a report – *Cleaner Cars, Cleaner Fuel, Cleaner Air: The Need for and Benefits of Tier 3 Vehicle and Fuel Regulations*<sup>1</sup> – elaborating on our June 27, 2011 letter to you<sup>2</sup>, in which we recommended Tier 3 vehicle standards modeled after California's Low-Emission Vehicle (LEV) III program and an average annual gasoline sulfur concentration of 10 parts per million (ppm) or lower.

In our report, we show that the costs of cleaner vehicles and cleaner gasoline are extremely modest while the related public health and environmental benefits are substantial. In particular, we detail how reducing sulfur in gasoline would not only enable the use of improved emissions control technology on new cars and light trucks, but also result in an overnight reduction in emissions from the existing fleet on the order of approximately 260,000 tons of nitrogen oxides (NO<sub>x</sub>), which is equivalent to taking 33 million cars off our nation's roads in 2017 when the program begins. We know of no other single air pollution control strategy that can provide emissions reductions as significant and immediate as this.

<sup>1</sup> See NACAA's report, "Cleaner Cars, Cleaner Fuel, Cleaner Air: The Need for and Benefits of Tier 3 Vehicle and Fuel Regulations" (October 31, 2011), available at <http://www.4cleanair.org/documents/NACAATier3VehandFuelReport-EMBARGOED-Oct2011.pdf>.

<sup>2</sup> See NACAA letter to EPA Administrator Lisa P. Jackson (June 27, 2011), available at <http://www.4cleanair.org/Documents/Tier3NACAALettertoEPAFinal062711.pdf>.

Further, the additional cost to consumers of the cleaner gasoline would be less than a penny a gallon, and the additional cost of a cleaner Tier 3 vehicle would be similarly low, at about \$150, on average. By 2030, the Tier 3 program would result in reductions in onroad mobile source emissions of NO<sub>x</sub>, volatile organic compounds and carbon monoxide of about 29, 26 and 38 percent, respectively.

There would also be substantial health and welfare benefits associated with the emissions reductions to be achieved from Tier 3 vehicles and gasoline. As an example, the expected NO<sub>x</sub> reductions would lead to reduced levels of ambient particulate matter (PM) that would translate into more than 400 avoided premature deaths and 52,000 avoided lost workdays each year. The benefits of the ozone reductions to occur from Tier 3 vehicles and gasoline would lead to additional health protection. According to a study by Navigant Economics<sup>3</sup>, the emissions reductions to be achieved from the Tier 3 program would translate into health benefits with an annual estimated value of \$5 billion to \$6 billion by 2020 and between \$10 billion and \$11 billion by 2030.

Although motor vehicle emissions have been dramatically reduced over the past 40 years, air pollution in the U.S., as well as the associated adverse health impacts, remains a serious and widespread problem. More than 125 million people still live in areas that exceed at least one of the health-based National Ambient Air Quality Standards (NAAQS), with 120 million residing where ozone levels exceed that federal standard.

Reducing emissions that cause air pollution is a zero-sum game. Missed emissions reduction opportunities from one source category means reductions will need to come from another. If our nation foregoes, or dilutes, Tier 3 vehicle and fuel standards, states and localities will have no choice but to turn to other, more expensive, less cost-effective measures – for example, placing additional controls on stationary sources and small “mom and pop” businesses and instituting transportation control measures – to garner the emissions reductions needed to attain and maintain clean air goals. Further, achieving emissions reductions of the magnitude that will result from Tier 3 could be extremely difficult in areas where there may not be sufficient sources to control or where state and local regulation of certain sources is politically unacceptable.

Further, the Tier 3 program would promote innovation in the automotive sector and create jobs in the refining industry. Navigant Economics has estimated that implementation of the Tier 3 program would result in the creation of 5,300 permanent jobs related to operating and maintaining new refining equipment and over 24,000 new jobs over a three-year period related to installing equipment at refineries.

As state and local air agencies face the challenge of attaining the health-based NAAQS for ozone, PM, nitrogen dioxide and sulfur dioxide, and continue to wrestle with ubiquitous toxic air pollution, an effective program to tackle emissions from cars and light trucks – which are key contributors to all of these problems – is critical. NACAA, therefore, encourages EPA take full advantage of the opportunity to establish a meaningful and effective Tier 3 program to take effect in 2017, including vehicle emissions standards modeled after California’s LEV III program and an average annual gasoline sulfur concentration of 10 ppm or lower, to help states and localities meet their clean air obligations.

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<sup>3</sup> See Navigant Economics study, “Economic Analysis of the Implications of Implementing EPA’s Tier 3 Rules” (June 14, 2012), available at [http://www.naviganteconomics.com/docs/061212%20Economic%20Analysis%20of%20the%20Implications%20of%20Tier%203%20Sulfur%20Reduction%20Final\\_embargoed%20copy.pdf](http://www.naviganteconomics.com/docs/061212%20Economic%20Analysis%20of%20the%20Implications%20of%20Tier%203%20Sulfur%20Reduction%20Final_embargoed%20copy.pdf).

Toward this end, we request that you now release for public comment the proposed Tier 3 rulemaking to allow all interested stakeholders to weigh in with their perspectives, and issue a final rulemaking by no later than December 31, 2013.

Sincerely,



Barry R. Wallerstein  
NACAA Co-President and  
Co-Chair, NACAA Mobile  
Sources and Fuels Committee



Nancy L. Seidman  
Co-Chair, NACAA Mobile  
Sources and Fuels Committee

cc: Robert Perciasepe, EPA Deputy Administrator  
Gina McCarthy, EPA Assistant Administrator, Office of for Air and Radiation