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Gina McCarthy
Administrator
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

Dear Administrator McCarthy:

The National Association of Clean Air Agencies (NACAA) appreciates this opportunity to provide comments on your *Proposed Determination on the Appropriateness of the Model Year 2022-2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation*, released for public comment on November 30, 2016. NACAA is a national, non-partisan, non-profit association of air pollution control agencies in 40 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 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.

In particular, you are seeking comment on your Proposed Determination that the greenhouse gas (GHG) emissions standards currently in place for Model Years (MYs) 2022 through 2025 remain appropriate under section 202(a)(1) of the Clean Air Act and a rulemaking to change them is not warranted. NACAA is pleased to support this Proposed Determination.

Over the past decade or more, EPA, in collaboration with the National Highway Traffic Safety Administration (NHTSA) and the California Air Resources Board (CARB), has taken decisive and effective steps to reduce vehicle GHG emissions and increase fuel efficiency. As NACAA has noted before in various comments and testimony, these efforts are of great importance to state and local air pollution control agencies. 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 light-duty vehicles are a key component of that. For this reason, NACAA advocated for and welcomed the tighter light-duty GHG emission standards and Corporate Average Fuel Economy standards established in the 2012 joint EPA-NHTSA rulemaking for MYs 2017 through 2025. We were gratified not only by the substantial estimated GHG emission reductions and increased fuel economy, but also by the impressive overall cost-benefit

ratio and cost savings that were forecast to accrue to consumers. In addition, the positive collateral, non-GHG environmental impacts of the rule will lead to critical contributions to attainment and maintenance of the health-based ozone and particulate matter standards, as well as equally important reductions in toxic air pollution, achievement of regional haze goals and reduction in the eutrophication of water bodies.

The 2012 rule included a commitment to conduct a Midterm Evaluation (MTE) of the GHG emission standards established for MYs 2022-2025. Based on the evaluation, the EPA Administrator is to determine whether the standards remain appropriate or should be more, or less, stringent. NACAA applauds the robust technical analyses behind the Proposed Determination (conducted by EPA and NHTSA, in collaboration with CARB), attesting to the appropriateness of the MYs 2022-2025 GHG emission standards, as well as your thoughtful and deliberative consideration of, and response to, the public comments on the draft Technical Assessment Report, released earlier this year, presenting the results of those analyses.

We further commend the comprehensive explanation of the basis of your Proposed Determination, including thorough presentation of the updates made to your previous analyses, which we believe makes an exceptionally clear and strong case that the MYs 2022-2025 standards remain appropriate.

Among the factors you cite to support your Proposed Determination are that the MYs 2022-2025 standards are feasible and cost effective. You correctly note that the auto industry is thriving and meeting the standards more quickly than required. NACAA agrees.

Clearly, auto makers are firmly on track to meet the MYs 2022-2025 standards without issue. 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. The technologies needed to comply with the “out-year” (MYs 2022-2025) standards are already available and in use today. Further, technologies not even contemplated four years ago now provide tremendous opportunities for the current rule and, importantly, for post 2025. These include technologies such as “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. In addition, like EPA, we anticipate even more technologies to 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 your Proposed Determination show that the out-year 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.

We also concur with the conclusion confirming that the design of the national program, as established in the 2012 rule, preserves consumer choice while, at the same time, reducing GHG emissions and fuel consumption. 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 leaves us well positioned 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.

With respect to costs, we note that EPA's recently updated analysis shows that the average per-vehicle cost to meet the MY 2025 standards is \$875, which is less than the costs estimated in the 2012 final rulemaking (approximately \$1,100) and the draft Technical Assessment Report (\$920). We note as well 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 addition, we appreciate that, given the results of your analyses and the data comprising the record on this issue, you have considered whether it would be appropriate to strengthen the standards for MYs 2022-2025. Though we too acknowledge that the current record would support a decision to initiate a rulemaking proposing to amend the standards to make them more stringent, NACAA supports your Proposed Determination to retain and implement the standards as they were adopted in 2012.

Finally, NACAA believes strongly that in addition to providing overwhelming evidence that the MYs 2022-2025 GHG emission standards remain appropriate, the robust analyses behind the Proposed Determination illustrate clearly another critical point: the magnitude and pace of technological innovation and advancement since 2012, as well as the cost effectiveness of these technologies, set the stage for next steps to further reduce GHG emissions and improve fuel efficiency from the light-duty fleet post 2025. NACAA commends the automotive industry for the work it has done to date innovating, meeting challenges and bringing forward-looking light-duty technologies to the marketplace. We are confident in the auto industry's ability to build on this momentum with similar success relative to the additional opportunities that remain for conventional vehicles, Zero Emission Vehicles and beyond. We are similarly confident that EPA and CARB, working with state and local air agencies and other stakeholders, can map out and implement a plan that will lead to further transformation of the light-duty fleet. As we have seen from the progress so far, consumers benefit from greater fuel efficiency, reduced maintenance costs and a better driving and ownership experience, and public health and the environment benefit from reduced emissions.

Once again, NACAA offers its full support for your Proposed Determination "that in light of all the prescribed factors, and considering the entire record, the current 2022-2025 standards are appropriate and should be retained." Once you consider the comments received on your Proposed Determination, we urge you to move forward to make a Final Determination in a timely manner.

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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