



August 11, 2016

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

The Honorable Gina McCarthy
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

RE: EPA/NHTSA Greenhouse Gas Emissions and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles - Phase 2; Dockets EPA-HQ-OAR-2014-0827 and NHTSA-2014-0132

Dear Secretary Foxx and Administrator McCarthy:

We, the 14 undersigned trade associations, represent a diverse cross-section of industries that have a strong interest in the joint U.S. Environmental Protection Agency and National Highway Traffic Safety Administration proposed rule “Greenhouse Gas Emissions and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles - Phase 2.” Our nearly 250,000 members rely on a strong, vibrant U.S. commercial motor vehicle industry to safely and cost-effectively transport goods and people, provide high quality direct and indirect job opportunities, and make meaningful contributions to cleaner air and safer roads. We have previously indicated to you that increasing stringency levels above those proposed will have serious negative economic implications for fleets, truck manufacturers, suppliers, dealers, and the nation’s economy. Yet we now hear that engine stringency may be increased above Alternative 3 levels from 4.2% to over 6% for over-the-road segments and over 9% for vocational applications – levels that we cannot support based upon engineering, cost, and market concerns.

Equipment acquisition costs are a top consideration for all fleets. New and increasingly more stringent emissions and safety regulations have required extensive changes to engines and vehicles, including the addition of expensive technologies such as exhaust after-treatment systems. As a result, vehicle and operational costs have risen significantly over the past 12 years.

Requiring OEMs to focus R&D monies on excessive, engine-focused mandates needlessly limits their flexibility to meet the proposal's overall standards in a cost-effective and economically practicable manner. Tighter engine efficiency requirements, along with the strong likelihood of implementing a new ultra-low NOx standard during the Phase 2 implementation period, will make a very tough proposal technologically infeasible and lead the industry down a pathway of being forced to purchase technologies that are not thoroughly tested and ready for marketplace introduction – a scenario that fleets should not and cannot accept. Fleets have purchasing alternatives and can be expected to exercise those options. Therefore, the final rule must not mandate stringencies beyond those set out in the proposal.

Trucking and bus companies can only absorb cost increases associated with the purchase of fuel-efficient technologies that offer reasonable payback periods and investment returns. Fleets look very carefully at their total cost of ownership, the state of the economy, acquisition and operation costs, fuel, personnel, maintenance, overhead, road charges, insurance, residual values, and taxes before making purchasing decisions. If incremental investment and operating costs of trucks and trailers manufactured to comply with the Phase 2 regulations are not met by corresponding fuel savings and reliability benefits, fleets will avoid buying them.

“Pre-buys” and “low-buys” caused by imprudent Phase 2 requirements will have very serious consequences. They will both retard the achievement of GHG reductions and other environmental objectives of the rule and adversely impact jobs. We should heed the lessons learned from recent history. When EPA mandated new engine technologies effective in 2007, fleets held off buying new vehicles. The end result was that more environmentally-friendly vehicles were not introduced into fleets and jobs at U.S. heavy-duty commercial vehicle manufacturers, suppliers, and dealers suffered significantly. We do not want to see this situation played out again.

Increasing engine stringency provides no environmental benefit and risks causing an unnecessary disruption in the market. Please consider the views of our businesses that buy, use, sell, and rely on trucks and trailers to haul our country's freight, as well as buses that transport passengers that remove cars from our roads. Thank you for your consideration.

American Bus Association
American Moving & Storage Association
American Truck Dealers, Division of NADA
American Trucking Associations
International Foodservice Distributors Association
NAFA Fleet Management Association
National Association of Small Trucking Companies
National Industrial Transportation League

National Private Truck Council
National Retail Federation
National Tank Truck Carriers, Inc.
Owner-Operator Independent Drivers Association
Transportation Intermediaries Association
Truckload Carriers Association
Truck Renting and Leasing Association