

### TESTIMONY OF GLEN KEDZIE ON BEHALF OF THE AMERICAN TRUCKING ASSOCIATIONS ON EPA'S PROPOSED REPEAL OF EMISSION REQUIREMENTS FOR GLIDER VEHICLES, GLIDER ENGINES, AND GLIDER KITS RULE (December 4, 2017)

Good morning. My name is Glen Kedzie and I am Vice President, Energy & Environmental Counsel for the American Trucking Associations ("ATA") in Arlington, Virginia. ATA appreciates the opportunity to provide testimony on EPA's proposed repeal of emission requirements for gliders. ATA members are strongly opposed to EPA changing course and undoing the agency's glider provisions under the final Phase 2 rule.

ATA is the national trade association that represents the U.S. trucking industry and is a united federation of motor carriers, 50 state trucking associations, and national trucking conferences created to promote and protect the interests of the trucking industry. Directly and through its affiliated organizations, ATA represents more than 34,000 companies encompassing every type and class of motor carrier in the U.S.

ATA member fleets have worked tirelessly to be both sustainable and environmentally-sensitive in their operations. Our members have taken great strides to improve their environmental performance while also advancing their business positions whether through the development and adoption of the trucking industry's first-ever sustainability plan in 2008; the phase-in of ultra-low sulfur diesel fuel beginning in 2006; the use of new clean diesel engine technologies to reduce PM and NOx emissions to unprecedented levels; and support for both the Phase 1 and Phase 2 rules. Specific to the Phase 2 rule, a bit of ATA's historical involvement is in order.

ATA convened a group of major fleet members to assess and provide input on the development of the Phase 2 rule. This group, known as ATA's Fuel Efficiency Advisory Committee ("FEAC"), represented all aspects of the trucking community including truckload, less-than truckload, package delivery, tank, flatbed, refrigerated, leasing, intermodal, and vocational applications. The FEAC worked closely with EPA, NHTSA, suppliers, manufacturers, academia, trade groups, the California Air Resources Board, and member companies to develop the industry's basic framework for matters needing to be addressed in the final rule. This document came to be known as the FEAC *Guiding Principles* which were adopted as official industry policy.

Given the proposed changes to the glider provisions, ATA reconvened the FEAC to specifically discuss the trucking industry's position on this change. The FEAC was comprised of leading trucking fleets across the country including FedEx, UPS, Wal-Mart, PepsiCo, Knight Transportation, Old Dominion Freight Line, CR England, ABF, YRC Worldwide, Penske Truck Leasing, and James Burg Trucking. ATA's FEAC voted unanimously to oppose any attempts to



# TESTIMONY OF GLEN KEDZIE ON BEHALF OF THE AMERICAN TRUCKING ASSOCIATIONS ON EPA'S PROPOSED REPEAL OF EMISSION REQUIREMENTS FOR GLIDER VEHICLES, GLIDER ENGINES, AND GLIDER KITS RULE (December 4, 2017)

repeal the glider provisions included in the final Phase 2 rule. The rationale for doing so were as follows:

### EPA's Reinterpretation of its Legal Authority to Regulate Gliders Could Create Unintended Consequences

EPA's proposal to reinterpret section 202 (a)(1) of the Clean Air Act stating that a new motor vehicle can only be a vehicle comprised entirely of new parts will have implications far beyond gliders. Under EPA's definition, any motor vehicle that contained a powertrain that was comprised of any used parts would fall outside the definition of a "new motor vehicle" and, thus, outside the scope of EPA's regulatory authority. The net result would be that an engine and vehicle manufacturer could avoid all regulation of the sale of its new engines and vehicles so long as the engines used in the final assembly of otherwise brand new vehicles included at least some refurbished parts. Creating such a loophole could potentially upend the agency's ability to regulate emissions from the trucking sector.

#### **EPA has Clear Authority to Regulate Rebuilt Engines**

Section (a)(3)(D) of the Clean Air Act authorizes EPA to regulate glider engines. That section states in part:

"The Administrator shall study the practice of rebuilding heavy-duty engines and the impact rebuilding has on engine emissions. On the basis of that study and other information available to the Administrator, the Administrator may prescribe requirements to control rebuilding practices, including standards applicable to emissions from any rebuilt heavy-duty engines (whether or not the engine is past its statutory useful life), which in the Administrator's judgment cause, or contribute to, air pollution which may reasonably be anticipated to endanger public health or welfare taking costs into account."

### The Continued Growth of Gliders Creates a Competitive Disadvantage to Fleets Purchasing New Equipment and Circumvents Today's Stringent Emissions Standards for PM, NOx and Greenhouse Gases

It is well-known that gliders are purchased to save money, avoid maintenance costs and weight penalties, skirt federal excise tax payments, allude the use of engine technologies that virtually



# TESTIMONY OF GLEN KEDZIE ON BEHALF OF THE AMERICAN TRUCKING ASSOCIATIONS ON EPA'S PROPOSED REPEAL OF EMISSION REQUIREMENTS FOR GLIDER VEHICLES, GLIDER ENGINES, AND GLIDER KITS RULE (December 4, 2017)

eliminate NOx and PM emissions, and to avoid the installation of safety equipment in pre-2000 vehicles under the Electronic Logging Device ("ELD") Rule which goes into effect December 18.

ATA members buy a tremendous amount of new equipment and pay a premium price investing in clean engine technologies. Aside from additional maintenance, taxes and downtime costs, ATA member fleets are paying \$31,000 more on average per new Class 8 truck since 2004 to comply with new NOx, PM, and GHG regulations. While the best-run trucking companies in the nation are heavily investing in cleaning up the environment and improving the overall profile of the industry, the glider vehicle industry openly promotes their sale of "pre-emission engines" and uses the cost savings differential between clean diesel technologies and high-emitting old trucks as a promotional sales pitch.

Trucking continues to remain in the crosshairs of further NOx engine emissions regulations. Just last December EPA, in response to a petition, committed to promulgate more stringent NOx emission standards for new engines. Yet, by EPA's own admission, glider vehicles may account for as much as 33% of total NOx emissions from all heavy-duty on-highway vehicles by 2025 if left unchecked. Put another way, at current and projected glider production rates, the contribution of NOx and PM emissions from gliders alone would nearly double the emissions of these pollutants from the entire Class 8 fleet. It is not equitable for the cleanest fleet operations in the nation to keep paying the bill for cleaner air to offset the excess emissions of older trucking equipment operating in perpetuity.

In conclusion, ATA requests EPA <u>not</u> repeal the glider provisions under the final Phase 2 rule. ATA will be submitting more extensive comments on behalf of ATA's members into the docket on January 5. Thank you.