



Motor & Equipment Manufacturers Association (MEMA)

Response to the

U.S. Environmental Protection Agency

**RE: Repeal of Emission Requirements for Glider Vehicles,
Glider Engines, and Glider Kits; Proposed Rule**

Docket Nos. EPA-HQ-OAR-2014-0827; FRL-9970-61-OAR

January 5, 2018

Introduction

The Motor & Equipment Manufacturers Association (MEMA) submits these comments to the U.S. Environmental Protection Agency (EPA) on the “Repeal of Emission Requirements for Glider Vehicles, Glider Engines, and Glider Kits” proposed on November 16, 2017.¹ For the reasons outlined below, MEMA supports the compromise for heavy-duty glider vehicles, glider engines, and glider kits included in the October 2016 final rule titled “Greenhouse Gas (GHG) Emissions and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles, Phase 2”² (Phase 2). Therefore, MEMA opposes EPA’s proposed repeal on GHG emissions and criteria pollutant requirements for all glider vehicles, glider engines and glider kits under the Phase 2 final rule.

MEMA represents more than 1,000 motor vehicle suppliers that manufacture and remanufacture components and systems for use in passenger cars and heavy trucks.³ The motor vehicle components manufacturing industry is the nation’s largest sector of manufacturing jobs – employing over 871,000 workers in all 50 states – and contributes nearly \$435 billion in U.S. GDP. Our members support a cleaner, safer world and are committed to developing and manufacturing a multitude of technologies and a wide-range of products, components and systems that reduce emissions and make vehicles safer and more efficient.

MEMA represents heavy-duty vehicle suppliers through the Heavy Duty Manufacturers Association (HDMA). The HDMA member companies make up about 60 percent of the U.S. market for heavy-duty commercial vehicle components. Heavy-duty suppliers provide original equipment

¹ 82 Fed Reg at 53442

² 81 Fed Reg at 73478

³ MEMA represents the full spectrum of vehicle suppliers through the following four divisions: Automotive Aftermarket Suppliers Association (AASA), Heavy Duty Manufacturers Association (HDMA), Motor & Equipment Remanufacturers Association (MERA) and Original Equipment Suppliers Association (OESA).

parts, systems and materials used to manufacture new commercial vehicles and related equipment as well as aftermarket replacement parts needed to repair and maintain in-service vehicles. Heavy-duty suppliers directly employ approximately 171,000 jobs in the U.S.⁴

Additionally, MEMA represents motor vehicle equipment remanufacturers and their suppliers. The MERA member network of remanufacturers, suppliers, and professional services firms operates in the automotive, heavy-duty and off-road sectors and promotes the environmental, economic and product performance benefits of remanufactured goods. Remanufacturers support at least 180,000 full time jobs in the U.S.⁵

MEMA Supports Policy Promoting the Remanufacturing Industry

As discussed in MEMA's comments on the 2015 Notice of Proposed Rulemaking (NPRM) for Phase 2,⁶ MEMA supports environmental policies that drive innovation, and, as a result, supports policies that promote remanufacturing and the remanufacturing industry. Remanufacturing is a standardized industrial process by which previously sold, worn or nonfunctional products are returned to same-as-new, or better, condition and performance. The process is in line with specific technical specifications, including engineering, quality and testing standards to yield fully warranted products.

Remanufactured parts are given an extended life, cost less to produce and purchase, and minimize the impact on the environment by not ending up in the waste stream. Remanufacturing preserves some of the value of the original manufacturing that recycling alone cannot do – including energy costs, investment in capital, and labor inputs. This process saves about 85 percent of the energy and material used to manufacture similar new products. The motor vehicle remanufacturing industry demonstrates a commitment to sustainability through product innovation and the incorporation of more environmentally-friendly manufacturing practices.

In addition to remanufactured engines, other examples of remanufactured components include: transmissions, alternators, starters, turbochargers, steering and suspension components, and electronic control modules.

The U.S. Congress recognized the importance and value of remanufactured parts and components as exemplified by the 2015 Federal Vehicle Repair Cost Savings Act⁷ which requires federal agencies to encourage the use of remanufactured parts when maintaining federal vehicle fleets.

⁴ "Driving the Future: The Employment and Economic Impact of the Vehicle Supplier Industry in the U.S." Available here: https://www.mema.org/sites/default/files/MEMA_ImpactBook.pdf, MEMA, January 2017.

⁵ "Remanufactured Goods: An Overview of the U.S. and Global Industries, Markets, and Trade" Report, U.S. International Trade Commission (ITC), Investigation No. 332-525, USITC Publication 4356, Oct. 2012.

⁶ Docket No.: EPA-HQ-OAR-2014-0827-1274

⁷ Public Law 114-65

MEMA Supports the Phase 2 Final Rule

Motor vehicle suppliers play a key role in driving technology advancements needed to improve vehicle fuel efficiency and reduce emissions by investing, developing and deploying an array of innovative materials and technology solutions. These solutions are critical to the strategies of medium- and heavy-duty vehicle (MHDV) manufacturers in meeting the targets of the GHG emissions and vehicle efficiency standards. MEMA supports environmental policies that drive innovation in emissions-reducing technology.

As a result, MEMA supports the forward progress for vehicle and engine performance standards provided by the 2016 Phase 2 regulation published by the EPA and the National Highway Traffic Safety Administration (NHTSA). The Phase 2 program provides critical regulatory stability for the industry to make long-term investment decisions. The compromise on glider kits contained in the 2016 Phase 2 rule is a part of this necessary stability.

When the MHDV Phase 1 rule was promulgated, the suppliers invested a significant amount of resources to develop and provide a range of cost-effective technologies to help customers meet the standards set in the rule. The Phase 2 rule followed the pathway cleared by the Phase 1 framework, providing suppliers with longer-term standards over multiple model years. Suppliers and vehicle manufacturers alike rely on planning certainty to make necessary, important business decisions. This is especially critical for suppliers which, in many cases, are the primary innovators, validators and producers of advanced components and systems technologies. The continued slope of the standards set in Phase 2 will ensure that the U.S. continues to be a technological leader in GHG emissions in the global vehicle industry.

In the November NPRM, EPA's new proposed interpretation of the Clean Air Act explains that glider vehicles would not constitute "new motor vehicles" within the meaning of the CAA section 216(3). Therefore, glider kits would not be treated as new motor vehicles and EPA would not have authority to regulate glider vehicles, glider engines and glider kits under CAA section 202(a)(1).⁸ EPA's proposal would repeal the emission requirements for glider vehicles, glider engines, and glider kits clarified in the Phase 2 rule. MEMA urges EPA not to make changes to the Phase 2 rule, including the proposal to revoke GHG emissions standards and criteria pollutants for all glider vehicles, glider engines and glider kits. An elimination of emissions requirements on an unlimited amount of glider vehicles would place many businesses, including large fleet owners, emissions technology suppliers and truck manufacturers, at a competitive disadvantage because they have made investments in technologies to meet the standards.

⁸ 82 Fed Reg at 53443

MEMA Supports the Compromise Included in Phase 2 on Glider Vehicles

MEMA supports the reduction of potential objectionable uses of glider vehicles to circumvent the emissions standards. As a result, MEMA supports the compromise provisions for glider vehicles and remanufactured engines outlined in the Phase 2 final rule. In the final rule, EPA allows for an exception for small businesses to produce a limited amount of glider vehicles without meeting either the engine or vehicle standards of the long-term program of no more than 300 per year per company. Any additional gliders produced by these small businesses would be required to meet the standards. Other exceptions include that model year and later 2010 engines are not required to meet Phase 1 GHG engine standards. Further, remanufactured engines may be installed in the glider vehicles without meeting standards for the year of glider vehicle assembly, provided the engines are within their regulatory useful life.⁹

MEMA supports these Phase 2 compromise provisions because it recognizes the value, purpose and legitimate uses of remanufactured engines in glider vehicles. The compromise provisions carefully balance the need of small businesses while allowing a level playing field for an industry that has invested heavily in meeting these important emissions standards. The Phase 2 compromise provisions provide regulatory certainty for suppliers of original equipment, aftermarket, and remanufactured components. Therefore, MEMA opposes EPA's proposal to revoke GHG emissions and criteria pollutant requirements for all glider vehicles, glider engines and glider kits under the Phase 2 final rule.

Conclusion

For these reasons, MEMA urges the agency to not repeal the emission requirements for glider vehicles, glider engines, and glider kits. The interconnectedness of the industry drives the need for the Phase 2 final rule to stay intact with consistent, long-term policies, regulations and standards that allow all stakeholders to more effectively incorporate technologies into the nation's fleet. We look forward to working with the agency and other stakeholders as the second phase of the standards proceeds. Please contact Laurie Holmes, senior director of environmental policy, with any questions at lholfmes@mema.org.

⁹ 81 Fed Reg at 73942