

Motor & Equipment Manufacturers Association

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November 29, 2016

House and Senate Conference on S. 2012

Dear Conferee:

The Motor & Equipment Manufacturers Association (MEMA) represents vehicle suppliers that manufacture and remanufacture components and systems for use in passenger cars and heavy trucks. By directly employing more than 871,000 Americans and generating a total employment impact of 4.2 million jobs, motor vehicle suppliers are the largest employer of manufacturing jobs in the United States. Our members lead the way in developing advanced, transformative technologies that enable safer, smarter and more efficient vehicles, all within a rapidly growing global marketplace with increased regulatory and customer demands.

On behalf of MEMA, I am writing to urge you to complete work on the conference report for the Energy Policy Modernization Act of 2015 (S. 2012). Provisions in this legislation focused on vehicle technology development and deployment as well as diesel emissions reductions are critically important to motor vehicle suppliers.

The Vehicle Innovation Act – Secs. 1301-1311 of the Senate Bill

The Vehicle Innovation Act (VIA) authorizes technology research, development and deployment activities in the Department of Energy's Vehicle Technologies Office. These activities support motor vehicle supplier efforts to enhance and advance the future of fuel efficient cars and trucks. Motor vehicle suppliers are responsible for nearly one-third of the total \$18 billion annually spent by private industry on automotive research and development (R&D) investment and for more than 70 percent of the value of a new vehicle. Supplier investment is critical as vehicle manufacturers are working to meet aggressive vehicle fuel efficiency and emission mandates. Vehicle manufacturers, working with suppliers, must deploy a variety of technologies to meet the new standards.

Deployment is a critical period for advanced vehicle technologies, and the provisions in the Vehicle Innovation Act bridge the gap between R&D and commercialization. This language will help address high upfront costs for innovators and allow scaling up as necessary to deploy vehicles equipped with innovative systems, leading to increased fuel efficiency and lower vehicle emissions.

Government-industry partnerships, such as those authorized in VIA, help leverage public and private resources in a way that will expand and strengthen U.S. manufacturing, increase our nation's energy independence and keep high-tech development in the U.S.



MEMA urges your support of the Vehicle Innovation Act in S. 2012. These provisions are technology neutral and do not mandate technologies. They also allow the market to drive advanced vehicle technologies and provide consumer choice.

Reauthorization of the Diesel Emissions Reduction Act – Sec. 1313 in Senate Bill

The Diesel Emissions Reduction Act (DERA) five-year reauthorization will continue reducing emissions from the millions of existing diesel engines in use today. DERA, a voluntary program originally enacted in 2005 with strong bipartisan support, provides national and state grants and loans for the installation of retrofits on existing heavy-duty diesel vehicles and engines.

Since enactment, DERA has been successful from an economic and public health perspective. MEMA encourages the conferees to support a five-year reauthorization of DERA.

Conclusion

As Congress wraps up work for the 114th session, we thank you for your support of the motor vehicle supplier industry. We urge you to complete work on the conference report for S. 2012 and include the MEMA priorities – the Vehicle Innovation Act and Reauthorization of the Diesel Emissions Reduction Act – in the final package. Please contact Catherine Boland, MEMA vice president of legislative affairs, at cboland@mema.org for additional information. Thank you.

Sincerely,



Steve Handschuh
President & Chief Executive Officer

cc: The Hon. Mitch McConnell, The Hon. Harry Reid
The Hon. Paul Ryan, The Hon. Nancy. Pelosi