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**Motor & Equipment Manufacturers Association**  
**Comments to the**  
**U.S. Environmental Protection Agency**  
**RE: Request for Comment; Evaluation of Existing Regulations**  
**Docket No. EPA-HQ-OA-2017-0190**  
**May 15, 2017**

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The Motor & Equipment Manufacturers Association (MEMA) submits these comments to the U.S. Environmental Protection Agency's (EPA) request for input<sup>1</sup> on regulations that may be appropriate for repeal, replacement, or modification in accordance with Executive Order 13777 of Feb. 24, 2017 "Enforcing the Regulatory Reform Agenda."

MEMA represents more than 1,000 companies that supply systems and components for use in the light- and heavy-duty vehicle original equipment and aftermarket industries.<sup>2</sup> The motor vehicle components manufacturing industry is the nation's largest direct employer of manufacturing jobs – employing over 871,000 workers in all 50 states – and contributes nearly \$435 billion in GDP. Our members innovate and develop a multitude of technologies and manufacture a wide-range of products, components and systems.

### **Summary**

MEMA provides the following recommendations to the EPA for regulations that would be appropriate for modification:

- Streamline the off-cycle technology credit program for the light vehicle greenhouse gas (GHG) emissions standards;
- Continue to implement the "Frank R. Lautenberg Chemical Safety for the 21<sup>st</sup> Century Act" (LCSA);
- Repeal completely or modify the nanoscale reporting rule to expressly exempt processors; and,
- Decrease the burden of the reporting requirements under Toxic Release Inventory (TRI).

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<sup>1</sup> 82 Fed Reg 17793, EPA-HQ-OA-2017-0190

<sup>2</sup> MEMA represents its members through four divisions: Automotive Aftermarket Suppliers Association (AASA); Heavy Duty Manufacturers Association (HDMA); Motor & Equipment Remanufacturers Association (MERA); and, Original Equipment Suppliers Association (OESA).

**Office of Air and Radiation**  
**Office of Transportation and Air Quality**  
**Light-Duty Vehicle GHG Emissions Standards**  
**Off-Cycle Technology Credit Program**

**Streamline and Improve the Off-Cycle Technology Credit Program**

Motor vehicle suppliers support EPA's GHG emissions program for light-duty vehicles and play a significant role in developing the innovative technologies that help new vehicle manufacturers (also known as original equipment manufacturers, or OEMs) meet the GHG standards. Suppliers have invested heavily in developing a wide variety of technologies including off-cycle technologies – technologies that provide increased fuel efficiency and lower GHG emissions but are not adequately measured on the Federal Test Procedure. MEMA urges EPA to streamline and improve the off-cycle technology credit program so applying for off-cycle credits for these technologies is less burdensome for the OEMs.

Developing a simplified application process for obtaining off-cycle technologies credits through the second and third pathways (for any off-cycle technology not contained on the pre-defined menu) is essential to reducing the burden for both the OEMs and the agency. MEMA recommends simplifying the process by reducing the quantity of data and analysis, standardizing approaches through published guidelines, and allowing reuse of analysis techniques. Similarly, EPA's limited resources to process off-cycle technology credit petitions have often delayed the approval of credits. If the credit application process is made less arduous, the off-cycle technology program would better incentivize OEMs to incorporate these innovative technologies.

These off-cycle technologies offer measurable, demonstrable, and verifiable real-world benefits that improve emissions and efficiencies. One gram of CO<sub>2</sub> per mile on the 2-cycle test does not equate to one gram of CO<sub>2</sub> in the real world or on the 5-cycle test. Historical data clearly demonstrates real-world fuel economy obtained by consumers is appreciably lower than the published drive cycle test fuel economy. That gap has steadily increased each year. Off-cycle technology credits need to be recognized as incentivizing the development and adoption of critically needed fuel-saving and emission-reducing technologies. These technologies provide a bigger impact to improving the environment and should not to be treated like loop-holes. MEMA also recommends that the agency eliminate the cap on the accrual of off-cycle credits for these reasons.

One way to lessen the burden on OEMs from submitting petitions for off-cycle technology credits is expanding the current pre-defined off-cycle credit menu. Due to technology advances since the current menu was established, the menu could be supplemented with a host of viable technology categories and corresponding credit values. Expanding the pre-defined menu would decrease the workload on the agency's already limited resources and would allow a timelier approval of these credits. Expanding the menu would help these GHG-decreasing technologies gain market penetration faster and would provide certainty for long-term tooling investments, product development planning and strategies for OEMs and suppliers. For more details, please see MEMA's suggestions on

expanding the off-cycle pre-defined menu in our comments on the draft Technical Assessment Report (TAR).<sup>3</sup>

Further, the EPA should evaluate each off-the-menu, off-cycle credit petition for their applicability across the industry. If the agency finds that the technology is applicable industry-wide, is cost-efficient, and has greater or equal GHG emissions reduction potential as current menu technologies, the off-cycle technology should be added to the menu for all OEMs to benefit. If the appropriate off-cycle technologies are gradually added to the off-cycle technology menu, it would provide a significant workload reduction effort for agencies and the OEMs.

The current off-cycle technology credit application process allows only OEMs to submit petitions for off-cycle credits. Suppliers should be allowed to directly petition, or petition in conjunction with other OEMs or suppliers, for a specific technology they offer. Suppliers, as developers and implementers of these technologies, are in the best position to provide data on these technologies and explain how these technologies could work in a motor vehicle.

Motor vehicle suppliers could work with EPA to provide test data and validation on each technology to determine a minimum credit value or range. If EPA approves a supplier's technology for a given minimum credit value or range, an OEM could then petition EPA for approval of the off-cycle technology for a specific platform. If approved for the specific OEM platform, EPA would then determine what level of credit to assign given the specific platform application.

If suppliers could obtain a minimum credit value or range for their technology, this would provide a significant incentive to OEMs to adopt the technology. Since suppliers are developing technologies that could be implemented by multiple OEMs, a set minimum credit for a certain technology would greatly expedite industry adoption of certain technologies and would enter the market faster and gain penetration more efficiently than if each OEM applied separately for the same technology via petition.

The current process of off-cycle credit petition has a significant amount of risk and is unpredictable, which is a barrier to innovating and deploying these technologies that have real world benefits. The agency and the industry would greatly benefit if the off-cycle credit process was made less burdensome and more efficient. Having a better process for these applications would allow OEMs to more effectively use off-cycle credits to meet the goals of the program.

**Office of Chemical Safety and Pollution Prevention**  
**Office of Pollution, Prevention, and Toxics**  
**Toxic Substances Control Act**

**Continue Implementation of the Updated Toxic Substances Control Act**

MEMA supports the LCSA amending the Toxic Substances Control Act (TSCA) and the framework currently being developed by EPA right now. This strong federal chemical regulation framework improves the regulatory certainty for our members who use

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<sup>3</sup> Docket No. EPA-HQ-OAR-2015-0827-4314

chemicals to manufacture original equipment and aftermarket motor vehicle components. The LCSA will provide a transparent, systematic, efficient and science-based procedure for evaluating the safety of chemicals. MEMA urges EPA to continue working to implement LCSA as Congress intended.

### **Amend or Repeal the Nanoscale Materials Reporting Rule**

MEMA urges EPA to repeal or amend the nanoscale materials reporting and recordkeeping rule finalized in January 2017 under TSCA 8(a).<sup>4</sup> The rule requires reporting and recordkeeping for certain discrete forms of chemical substances when they are manufactured or processed at the nanoscale.

The nanoscale materials reporting rule is unnecessary and overly burdensome to the industry. EPA estimates the nanoscale rule will impact 1,953 firms within its first year and will impact an additional 364 firms each subsequent year.<sup>5</sup> An annual burden is estimated at an average of 164 hours per company response.<sup>6</sup> Importantly, however, this burden estimation does not include companies, particularly processors, deciphering which chemicals are subject to the rule – the most challenging part of the rule for the industry.

Of those 1,953 firms estimated to be impacted by the nanoscale rule the first year, 1,788 of those firms are expected to be processors (92 percent).<sup>7</sup> The reporting rule should be repealed, or at the very least, the scope should be tightened to expressly exempt processors and require only manufacturers to report and keep records. Repealing or modifying the nanoscale reporting rule to include only processors would greatly lessen the burden on industry.

The rule will be extremely challenging for processors given the obstacles of obtaining required nanoscale materials data throughout the supply chain. The automobile industry uses a sophisticated database to track chemicals used in automobile manufacturing called the International Material Data System (IMDS). The industry also uses a system called Global Automotive Declarable Substance list (GADSL) which lists substances of regulatory interest. Both systems are based on CAS numbers. Distinguishing between a regular chemical substance and a nanoscale chemical substance (except in the instance where a chemical CAS name uniquely applies to a nanoscale substance) will be incredibly difficult and time consuming, if not impossible.

### **Office of Chemical Safety and Pollution Prevention**

#### **Office of Pollution, Prevention, and Toxics**

#### **Toxic Release Inventory (TRI)**

#### **Decrease the Burden of the Reporting Requirements under TRI**

MEMA supports EPA's effort to present as much information on chemical releases to the public as possible under TRI under Section 313 of the Emergency Planning and Right-to-

<sup>4</sup> EPA-HQ-OPPT-2010-0572; FRL-9957-81, 40 CFR Part 704

<sup>5</sup> U.S.EPA, Economic Analysis for the Final TSCA Section 8(a) Reporting Requirements for Certain Chemical Substances as Nanoscale Materials, Prepared by Economic and Policy Analysis Branch, RIN 2070-AJ54, pg. 2-8

<sup>6</sup> 82 Fed Reg 3652

<sup>7</sup> Economic Analysis for the Final TSCA Section 8(a) for Certain Chemical Substances as Nanoscale Materials, pg. 2-8

Know Act (EPCRA).<sup>8</sup> However, EPA should do more to clarify, streamline and altogether lessen the burden of reporting for companies that release TRI chemicals, especially in small amounts.

While TRI does not restrict chemical use, it does require annual completion of extremely long forms for each of the 650 TRI chemicals processed or used above the threshold. Since the initiation of the TRI program, EPA has continually reinterpreted the requirements of the program, expanded the forms, added chemicals, and lowered reporting thresholds. Although EPA took steps in 2006 to reduce the reporting burden for small businesses and companies that use small amounts of TRI chemicals, there is much more that can be done to ease the reporting burden on industry.

MEMA urges EPA to evaluate where reporting requirements can be made less burdensome including (1) raise reporting thresholds; (2) shorten reporting forms; and, (3) provide clearer guidance on the reporting requirements. As the program stands now, the burden of TRI reporting exceeds the benefit of the information to the surrounding communities. We urge EPA to balance the public's right to know with the goal of minimizing manufacturers regulatory burden.

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Thank you for consideration of these comments. MEMA supports the EPA initiative to evaluate where regulations can be scaled back or modified to ease burden on industry. Please do not hesitate to contact Laurie Holmes, senior director of environmental policy, at 202-312-9247 or [lholfmes@mema.org](mailto:lholfmes@mema.org) with any questions.

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<sup>8</sup> 40 CFR Part 372