

May 17, 2018

The Honorable Elaine L. Chao
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

The Honorable Scott Pruitt
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

The Honorable Heidi King
Deputy Administrator
National Highway Traffic Safety Administration
1200 New Jersey Avenue, SE
Washington, D.C. 20590

The Honorable William Wehrum
Assistant Administrator, Air and Radiation
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Re: Advanced Technologies Flexibility Option for Model Year 2022-2025 GHG/CAFE Standards

Dear Secretary Chao, Administrator Pruitt, Deputy Administrator King, and Assistant Administrator Wehrum:

As trade associations representing the motor vehicle parts suppliers industry, we are writing to request that you seek comment on a policy option described in this letter in the forthcoming Notice of Proposed Rulemaking (NPRM) for the Model Year (MY) 2022-2025 light-duty vehicle greenhouse gas (GHG) and corporate average fuel economy (CAFE) standards.

This option, which might be referred to as an “Advanced Technologies Flexibility Option,” would provide vehicle manufacturers with additional compliance flexibilities, while maintaining robust standards. The flexibilities should include some combination of the following elements:

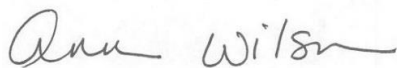
- 1) Improving and expanding existing credit programs including CO₂ credits for qualifying full size light-duty pickup trucks and credits for gasoline particulate filters (GPFs) installed on any type of vehicle.
- 2) Extending and potentially restructuring credit multipliers for EVs, PHEVs, FCVs and CNGVs and ANGVs;
- 3) Improving the current off-cycle credit technology program by expanding the off-cycle credit menu and raising the credit caps on both A/C efficiency credits, and the off-cycle menu credits.
- 4) Revise the off-cycle technology credit process to allow suppliers to directly petition EPA for a specific technology to be eligible for a provisional off-cycle credit.

This package of reforms would provide more near-term flexibility in achieving CAFE targets and national GHG reduction goals while lowering compliance costs. Improving and expanding these credit programs would provide incentives for suppliers to continue technology investments in the U.S. and further advance and deploy innovative technologies in a cost-effective manner. These additional flexibilities will strengthen our domestic manufacturing jobs, grow the economy, encourage U.S. innovation and promote the investment necessary to support continued forward progress on emission reductions and increased fuel efficiency in the years to come.

Suppliers are the largest sector of manufacturing jobs in the U.S. directly employing over 871,000 Americans. Suppliers take on both the investments and the risks associated with the development of technologies for their vehicle manufacturer customers. Suppliers have extensive long-term investments in research and development of advanced technologies to bring emission reduction and fuel efficiency technologies to market deployment. Investments in advanced technology development resulting from the CAFE and GHG program standards set in 2012 are, in part, responsible for the nearly 20% recent increase in jobs in the motor vehicle parts manufacturing industry.

We believe this Advanced Technology Flexibility Option would provide a basis for maintaining strong national standards while addressing automakers' requests for additional compliance options in the near term. The approach would help maintain a harmonized national program including both federal and state vehicle standards. Furthermore, the approach, recognizes the critical role that California and other states continue to play in reducing vehicle emissions and protecting public health.

We urge DOT and EPA to include an Advanced Technology Flexibility Option in the NPRM now under development. Such a policy will ensure continued progress on fuel efficiency and GHG/air quality while providing vehicle manufacturers additional compliance options, and preserving the role of unified standards under One National Program with California.



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Chris Miller
Executive Director
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Tim Regan
President
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CC: EPA Deputy Administrator Andrew R. Wheeler
DOT Deputy Secretary Jeffrey A. Rosen
EPA OTAQ Director Christopher Grundler
NHTSA Fuel Economy Division Chief Jim Tamm