

**Statement of the Environmental Protection Agency**

**Hearing: Examining Ways to Improve Vehicle and Roadway Safety**

**Energy and Commerce Committee**

**U.S. House of Representatives**

**Subcommittee on Commerce, Manufacturing, and Trade**

**October 21, 2015**

The U.S. Environmental Protection Agency (EPA) appreciates the opportunity to provide a statement for the hearing entitled, “Examining Ways to Improve Vehicle and Roadway Safety” before the Subcommittee on Commerce, Manufacturing, and Trade, Energy and Commerce Committee. Prior to the hearing date, the Subcommittee made available a discussion draft of legislation on vehicle and roadway safety. EPA has had only a very limited time in which to conduct a technical analysis of the draft (“Discussion Draft” or “Draft Legislation”) and the Administration has not developed a position on the draft legislation. Below we present some potential concerns based on this preliminary analysis.

**Vehicle Emission Compliance Standards for Low-Volume Vehicle Manufacturers (Section 405)**

Section 405 of the Draft Legislation establishes requirements for the National Highway Traffic Safety Administration (NHTSA) and EPA relating to regulatory treatment of certain “replica motor vehicles.” The draft provisions would require EPA and NHTSA to issue regulations exempting “low-volume manufacturers” who produce or import less than 500 replica/antique vehicles per year from vehicle safety standards, emissions testing, and inspection and maintenance requirements. Section 405(b) would amend Clean Air Act Section 206(a) to allow an engine from a vehicle with a certificate of conformity to be installed in an exempt replica vehicle,

subject to specific installation requirements, and would exempt these vehicles from emissions testing and inspection and maintenance requirements. The same section would require that manufacturers of such “exempted specially produced motor vehicles” register with EPA and submit annual reports to EPA describing the vehicles produced, the engines used in such vehicles, as well as other information.

As written, Section 405 of the Draft Legislation does not appear to differentiate between modern very low-emitting vehicle technologies and much dirtier certified vehicle systems from the earliest days of EPA's automobile emission control program. If manufacturers, even small volume manufacturers producing 500 or fewer vehicles per year, were able to use antiquated but certified emission control systems, these vehicles could create a safety risk for carbon monoxide exposure in enclosed garages. They could also produce high emissions rates while being operated, as compared to modern vehicles, which are 90 percent cleaner today than the first vehicles certified under the Clean Air Act.<sup>1</sup>

### **Provisions on “Advanced Automotive Technologies”**

Title V of the Discussion Draft, entitled “Advanced Automotive Technologies,” would amend both EPCA and the Clean Air Act, and would establish a system to provide greenhouse gas emission and fuel economy “credits” for manufacturers that manufacture automobiles with certain advanced technologies installed. Section 503(a) defines “advanced automotive technology” as “any vehicle information system, unit, device, or technology that meets any applicable performance metric and demonstrates crash avoidance or congestion mitigation benefits.” The draft definition then lists several technologies that would qualify, including among others forward collision warning, adaptive brake assist, and autonomous emergency breaking. The same section then defines “connected vehicle technology” to mean a “dedicated short-range communications device that meets applicable performance

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<sup>1</sup> See [http://www3.epa.gov/airquality/peg\\_caa/carstrucks.html](http://www3.epa.gov/airquality/peg_caa/carstrucks.html) for more information

metrics” as defined by a technology advisory committee set up under a different provision of the Discussion Draft.

Section 504(c) provides the Secretary of Transportation (Secretary) with authority to issue a rule adding an advanced automotive technology to the list in 503 (a). “Any interested person” may petition the Secretary to promulgate such a rule. Such a rule would include a determination, made after consultation with EPA’s Administrator, of the “appropriate level of greenhouse gas credits and fuel economy credits” need to encourage additional advanced technology.

Section 502 of the Draft Legislation would amend Section 202(a) of the Clean Air Act (42 U.S.C. 7521(a)), which provides EPA with the authority and obligation to set air pollution standards for new motor vehicle engines and new vehicles. Section 502(a) would add a subsection to CAA 202(a) entitled “Credits for Advanced Automotive Technology,” which would apply to new light duty trucks, light duty cars, or medium-duty passenger vehicles built after model year 2018. Under this provision, any such vehicle equipped with at least three advanced automotive technologies (as defined by the Draft Legislation in section 503(a)) would receive a credit of “3 or more grams per mile,” as determined by EPA’s Administrator, that would count towards meeting EPA’s greenhouse gas standards. Any such vehicle equipped with at least one connected vehicle technology would receive “6 or more grams per mile” towards meeting the applicable GHG standards. Section 502 also requires that the Administrator, in 2026 and every two years thereafter, review the amount of credits being given under the program to determine whether the credit value should change, and to submit to Congress a report of such review and any determination. Section 502 also prohibits the Administrator from taking the installation of advanced technologies (or connected vehicle technology) into account for any purpose other than providing credits.

Section 502(b) contains provisions on state standards directed at the California motor vehicle emissions program, which has also been adopted by

multiple states pursuant to Section 177 of the Clean Air Act. Under Section 502(b), California would not be entitled to receive a waiver under Section 209(b) of the Clean Air Act if California's program did not also provide full credits for advanced automotive technologies. In addition, if NHTSA were to publish a new "safety performance metric" for a relevant vehicle technology, California would be required to revise its own standard within 30 days, or the waiver would cease to apply.

These "advanced automotive technology" provisions of the Draft Legislation would provide GHG credits that could be used by auto manufacturers to comply with EPA's greenhouse gas (GHG) emission standards, both for light and medium duty vehicles. These emission standards are part of a comprehensive national program designed to reduce GHG emissions, increase fuel economy, reduce the nation's dependence on foreign oil, and save consumers money. When President Obama first took office, one of the first actions he took was to direct the EPA and the Department of Transportation (DOT) to work with the auto industry to develop new fuel economy standards for cars and light trucks. This work culminated in President Obama announcing in July of 2011 national standards to double the efficiency of light-duty cars and trucks by 2025. Taken together, the Administration's light-duty standards span model years 2011 to 2025 and are the first significant improvement in over three decades. Under the final program, average new car and light truck fuel economy is expected to double, reaching an average greenhouse gas performance equivalent of 54.5 miles per gallon by 2025,<sup>2</sup> saving consumers \$1.7 trillion at the pump—roughly \$8,200 per vehicle for a Model Year 2025 vehicle — reducing oil consumption by 2.2 million barrels a day in 2025, and slashing greenhouse gas emissions by 6 billion metric tons over the lifetime of the vehicles sold during this period.

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<sup>2</sup> The projected model year 2025 CO<sub>2</sub> compliance value of 163g/mi would be equivalent to 54.5 mpg, if the entire fleet were to meet this CO<sub>2</sub> level through tailpipe CO<sub>2</sub> and fuel economy improvements. The agencies expect, however, that a portion of these improvements will be made through improvements in air conditioning leakage and through use of alternative refrigerants, which would not contribute to fuel economy. Real-world fuel economy is typically 20 percent lower than the fuel economy equivalent GHG compliance value discussed here.

EPA's greenhouse gas standards were developed jointly with NHTSA and are based on comprehensive analysis of vehicle technologies that reduce GHGs and improve fuel economy, their effectiveness, and their costs. These rules require compliance with progressively more stringent GHG emission standards for the 2012 through 2025 model years. These standards are being implemented now, and the industry is outperforming the GHG standard.<sup>3</sup> While EPA is supportive of advanced technologies that increase vehicle safety, we have concerns about mandating GHG emissions credits for such technologies at this time without a better understanding of the potential impacts of this mandate on our vehicle emissions standards program. EPA and NHTSA have previously considered this issue as part of the final rule establishing GHG and fuel economy standards for light duty vehicles, model years 2017-2025 (see 77 FR 62732, October 15, 2012). At that time, we indicated that while there is a nexus between accident avoidance/congestion mitigation and fuel/CO2 savings for the entire on-road fleet, EPA and NHTSA were limiting the availability of vehicle credits to those technologies where reductions in fuel consumption and CO2 emissions could be reliably determined and attributed to the vehicles.

With respect to the Draft Legislation's provisions regarding advanced safety technologies, there is insufficient data today to tie GHG benefits to direct and reliably quantifiable improvements in any individual vehicle equipped with advanced safety technologies. Further, should such data become available in the future, EPA has discretion under the Clean Air Act to consider the appropriateness of such technologies under the LD GHG program.

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<sup>3</sup> For more information on how auto manufacturers are complying with the standards, see <http://www3.epa.gov/otaq/climate/ghg-report.htm>.

## **Conclusion**

EPA has not had sufficient time to fully review this draft legislation. While EPA is supportive of advanced safety technologies for automobiles, we are concerned that the potential impacts of the draft bill have not been fully considered. EPA further notes that it has authority to consider such technologies under the Clean Air Act already and that doing so in a regulatory context allows the agency to give full consideration (with broad public input) to the full range of impacts that any specific incentives for such technologies may have.