



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JAN 24 2002

OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

Mr. Michael A. Caldarera
Manager, Regulatory and Technical Services
National Propane Gas Association
1600 Eisenhower Lane
Suite 100
Lisle, IL 60532

Dear Mr. Caldarera:

This is in response to your letter of November 27, 2001, to the U.S. Environmental Protection Agency (EPA) regarding the conversion of motor vehicles and engines from gasoline or diesel fuel to propane under EPA's tampering enforcement policy. In that letter, you express concern about the impending expiration of Option 3 under this policy and that the current cost of full EPA certification is prohibitively expensive for small volume converters. You also provide a number of suggestions and program proposals that EPA could adopt either as alternatives to full certification or that would reduce the burden of the current certification requirements.

As you know, after extensive meetings and discussions with all stakeholders, EPA issued the Addendum to its Mobile Source Enforcement Memorandum 1A on September 4, 1997, (Addendum) in response to data indicating that many of the vehicles converted under the existing enforcement policy were increasing emissions over the applicable standards. It was our position then, and continues to be, that the certification process is the only means to assure with a high degree of confidence that converted vehicles will continue to meet emissions standards throughout their statutory useful life. As a result, Option 3 was created in the Addendum as a limited interim policy to allow the alternative fuel conversion industry to prepare for and begin to certify alternative fuel conversion systems.

A number of manufacturers and installers were concerned that the Addendum did not provide sufficient flexibilities for converters nor that Option 3 would be in place long enough to accommodate the necessary transition to certification. Consequently, we issued the Revision to the Addendum on June 1, 1998, which provided additional testing options for converters and extended Option 3 through June 30, 2000. In late 1999 we were contacted by representatives from the State of Arizona who requested a limited extension to Option 3 so that the state could implement its alternative fuel program. In response to that request, we again extended Option 3 under the condition that converters begin to certify systems for certain model years and above certain quantities of conversions. This extension and the conditions for the extension were contained in a letter to Jeff Groscost, Speaker of the Arizona House of Representatives on May

16, 2000. As you know, under the Groscost letter Option 3 expired on December 31, 2001.

Despite an ongoing dialog with this industry, there has been little progress towards the certification of alternative fuel conversion systems under either EPA regulations or the revised California procedures for such systems. This is particularly disturbing since we received repeated assurances from the industry that they would certify after a date certain and that Option 3 was only an interim measure necessary to reach that goal. Nevertheless, we have carefully considered the concerns raised in your letter and by others in this industry.

We appreciate your efforts to design other programs and to provide suggestions on how the Agency might permit the conversion of motor vehicles and engines without requiring manufacturers to seek Certificates of Conformity under the current procedures. We continue to believe, however, that certification is the appropriate process to ensure the emissions compliance of converted vehicles and not through a tampering enforcement policy.

I have been informed by Jeff Holmstead, EPA's Assistant Administrator for Air and Radiation, that the certification staff will implement a number of streamlining procedures over the next few months to address some of the concerns you've raised. Therefore, at this time, I am extending Option 3, as provided in the above referenced policy documents and the Groscost letter, through March 31, 2002. This extension is only available to those manufacturers who have notified EPA in accordance with the Groscost letter for the conversion of 2001 and earlier model year vehicles only and is subject to all other conditions specified in that letter. After that date, all parties may only manufacture, sell or install alternative fuel conversion systems that are covered by an EPA Certificate of Conformity or that meet the revised California certification procedures for such equipment as provided in the Addendum.

We believe this is the best means to address the concerns raised by the alternative fuel conversion industry and to meet EPA's goal of full certification. I encourage you to contact Gregory Green, Director of the Certification and Compliance Division at (734) 214-4488 regarding certification procedures. If you have any questions regarding this enforcement policy, please call Bruce Buckheit, Director of EPA's Air Enforcement Division at (202) 564-1308.

Sincerely


Sylvia K. Lowrance

Acting Assistant Administrator

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