



INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA – UAW

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**Greenhouse Gas Emissions and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines
and Vehicles—Phase 2
Comments submitted by President**

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[SUBMITTED TO www.regulations.gov]

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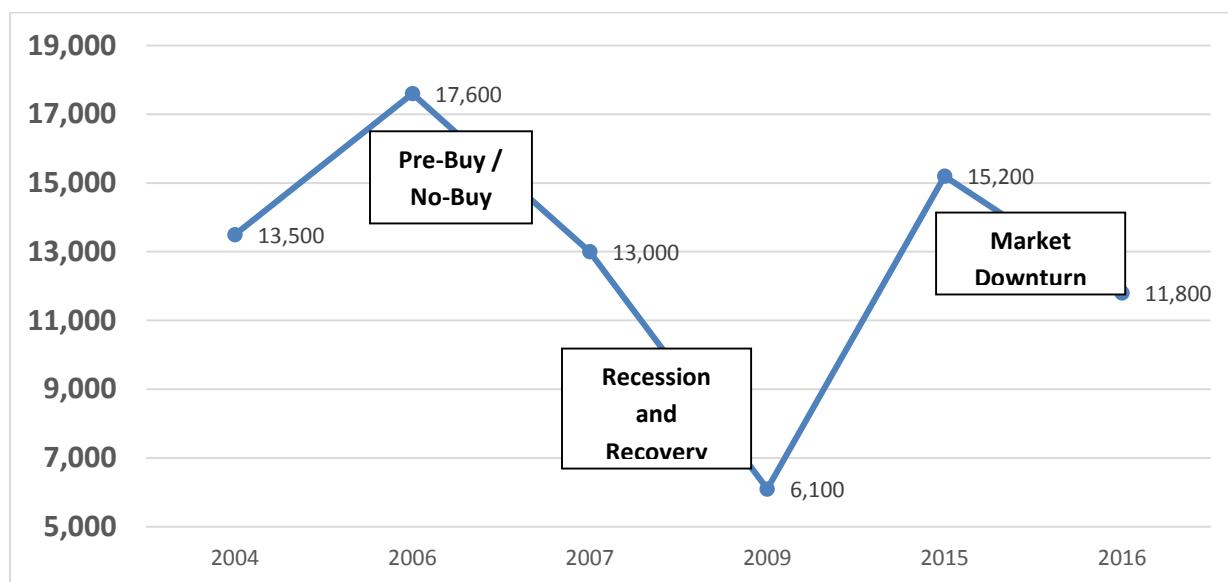
UAW members support an achievable and realistic Phase 2 standard that is good for the environment and manufacturing workers (Docket No. EPA-HQ-OAR-2014-0827; NHTSA-2014-0132). We reject the false argument that environmental protections and economic growth are not compatible. The final rule must be carefully crafted in order to avoid economic disruption of the medium- and heavy-truck, vocational, van, and heavy-duty pickup markets.

The recently released commercial medium- and heavy-duty truck fuel efficiency technology study-Report #2 [(Reinhart, T. E. (2016, February). Commercial medium- and heavy-duty truck fuel efficiency technology study – Report #2. (Report No. DOT HS 812 194). Washington, DC: National Highway Traffic Safety Administration)] confirms that the proposed Alternative Four is not feasible and could lead to major economic disruptions in an industry that is already sensitive to the ups and downs of our economy.

UAW members and their families know first-hand the cyclical nature of the medium- and heavy-duty truck, vocational, van, and heavy-duty pickup markets. They have also experienced the pre-buy/no-buy disruption that can be caused by regulations.

The Class 8 heavy-duty truck market was strong most of last year. However, in the latter part of 2015 and into 2016, heavy truck orders dropped significantly. In response, heavy truck manufacturers began laying off workers and cutting production. To date, Daimler and Volvo have announced the layoff of as many as 3,400 UAW members. Non-union PACCAR has also reduced their workforce in U.S. facilities.

The following chart illustrates UAW membership in the medium- and heavy-duty truck sector since 2004:



This recent history warrants caution as we can't predict the ups and down of the market during the term of the Phase 2 standards. However, we can work together to reduce the likelihood of the Phase 2 standards creating economic hardship for not only hardworking men and women who assemble and make parts for trucks, but also their neighbors and communities.

Alternative Three proposes a 4% improvement in per vehicle fuel consumption and CO₂ improvement by MY 2027 compared to MY 2017 for diesel engines. According to the technology study, diesel engines can achieve this level of stringency without forcing problematic technologies like waste heat recovery. The study states, "Overall, diesel engines offer a potential for 2% to 5% improvement beyond the requirements of the Phase 1 GHG regulations." The study lists the potential diesel engine improvement for long haul engines as 2-5%, medium-duty/vocational as 2-4% and pickup as 3-4% —all without waste heat recovery.

We are concerned that increasing engine stringency to levels that require an unrealistic market penetration and forcing expensive and unproven technologies will significantly disrupt the market and create hardships for manufacturing workers and their families.

The report is consistent with our views that waste heat recovery technology at this high cost and level of complexity is not ready for the road. At various points, waste heat recovery is described as:

- *Complex and expensive technologies that are not fully developed*
- *High cost and uncertainty of reliability and warranty*
- *Exotic and untried*

The UAW recognizes and supports the high level of communication and collaboration between regulators, the industry, and other stakeholders in crafting a very complex standard. We urge all parties to continue working together to solve outstanding issues before regulations are finalized. To take one example, the proposed standard's prohibition of the conversion of on-road motor vehicles to dedicated racing vehicles is problematic and the final regulations must arrive at a workable solution.

It is also critically important to have flexible and adaptable regulations for vocational vehicles. This is a complex and difficult task as this class of vehicles have a wide array of applications and have not previously been subject to stringent emission standards. This is why the viability of certain technologies on vocational vehicles needs to be carefully considered. For instance, the real world use of idle shutdown on cement mixers must be taken into account in the final regulations.

We all strive for a standard with the correct baseline and accurate testing methodologies. Regulators' continued willingness to confer and listen to stakeholders illustrates a clear desire to forge a standard that makes sense for the environment, the industry, and the thousands of affected working families. It is critically important to strike this proper balance in the final standard. Thank you for considering my views.