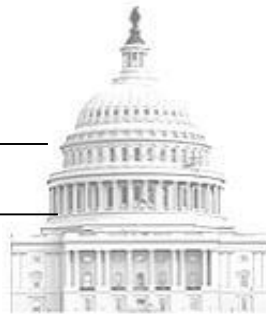




INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA – UAW



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June 10, 2016

IN REPLY REFER TO

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Deputy Administrator Blair Anderson
NHTSA Headquarters
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Washington, DC 20590

Deputy Administrator Anderson,

Thank you for taking the time to meet with the UAW this past spring on the Phase II standards regulating greenhouse gas emissions and fuel efficiency for heavy-duty pickups, vocational vehicles, and heavy-duty trucks and trailers. We greatly appreciate the willingness of the U.S. Department of Transportation to engage meaningfully with our staff and members over the past couple of years while crafting the new regulations.

This is a critical matter for the over 40,000 UAW members and their families working in heavy-duty truck, vocational, van, and heavy-duty pickup vehicle assembly, engine, and component facilities throughout the United States. We also represent hundreds of thousands of retirees of the motor vehicle assembly and parts industries. All of these workers, their families, and their communities will be impacted by this proposal.

We know firsthand that this is a complex industry and crafting new greenhouse gas emissions and fuel efficiency standards for medium and heavy-duty engines and vehicles is an extremely difficult task. Despite these challenges, we believe it is possible for you to craft a final rule that sets reasonable standards while promoting good jobs and protecting the environment. Importantly, new regulations should not negatively disrupt the economy or create a “pre-buy/no-buy” cycle that results in layoffs or job losses for American workers. In order to do so, we urge you to keep the following principles in mind as you work with the Office of Management and Budget as part of their interagency review in finalizing the regulations. Adhering to these principles is critical in reducing the likelihood of harmful market disruptions that are detrimental to manufacturing workers, their families, and communities.

- Utilize accurate technology market penetration, cost and reliability assumptions, and testing protocols.
- Provide manufacturers compliance flexibility to meet the standards.
- Create a single National Program.

We are particularly concerned with any proposal to increase the stringency of the engine standards. The NPRM creates a separate engine standard and calls for improving diesel engine’s performance by 4% by MY 2027 compared to MY 2017 in order to reduce per vehicle fuel consumption and CO₂ emissions. This is an aggressive standard that will require significant new investments.

We are extremely concerned that increasing engine stringency levels beyond the preferred option identified in the proposal will force expensive and unproven technologies into the market. Because it is a consolidated market

place, an overly stringent standard could lead to monopoly pricing in the diesel engine market. An overly stringent engine standard could also lead to the very boom and bust cycle we are seeking to avoid.

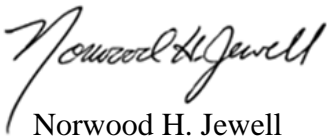
There is nothing in the proposed regulation to prevent OEMs from investing in more efficient engines and gaining credits that could be applied to meet stringency requirements. OEMs should be free to meet the stringency standards in the way that best suits their business model and program cycles. These regulations rightfully should offer multiple pathways for meeting the standard, but should not dictate the path a given company takes.

Vehicles in the vocational sector present a unique challenge and we urge your agency to continue to work diligently with OEMs to craft regulations that are workable and account for the wide array of applications ranging from dump and cement trucks to school buses and mobile homes. Many technologies that work well with other classes of vehicles will not work for many vehicles in this sector. Phase I took only preliminary steps; thus, creating comprehensive regulations for these vehicles is very much uncharted territory.

Finally, I want to reiterate our opposition to Alternative Four. This untenable proposal moves stringency requirements forward from 2027 to 2024. Pulling the 2027 requirements forward may not only force unreliable and unproven technology to market, it is a de-facto increase in stringency requirements. Alternative Three is already highly ambitious and will require significant investments by OEMS.

We look forward to working with you as you finalize Phase II regulations and prepare for implementation. Please do not hesitate to contact me if you have questions or need additional information.

Sincerely,



Norwood H. Jewell
Vice President, UAW

Attachments

JN/et

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cc: President Dennis Williams, UAW
Director Shaun Donovan, OMB
Administrator Gina McCarthy, EPA
Administrator Mark Rosekind, NHTSA
Secretary Anthony Foxx, DOT
Chairwoman Mary D. Nichols, CARB