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RE: United Steelworkers comments on EPA's Proposed Rule on Multi-Pollutant Emissions Standards for Model Years 2027 and Later for Light- and Medium-Duty Vehicles (EPA-HQ-OAR-2022-0829).

To Whom It May Concern:

I write to you on behalf of the United Steelworkers Union (USW or Steelworkers). Our union is the largest industrial union in North America, representing workers in steel, aluminum, and other metals; paper; rubber; glass; cement; chemicals; refining; other industrial sectors; and service. We appreciate the opportunity to provide insight and comments on the Environmental Protection Agency's (EPA) proposed rule regarding Multi-Pollutant Emissions Standards for Model Years (MYs) 2027 and Later for Light- and Medium-Duty Vehicles.

Our union supports reasonable and well-researched regulations to ensure that our shared environment and communities are protected. However, EPA's proposed rule on emission standards for light- and medium-duty vehicles is far-reaching and recklessly hits the accelerator on the transition to Zero Emission Vehicles (ZEVs). As our union represents the majority of unionized workers in the auto supply chain and workers in the oil sector, we have grave concerns regarding this proposed rule's impact on their livelihoods, and the negative impact that the rapid implementation of ZEVs will have on our electric grid and domestic supply chain.

The USW co-founded the BlueGreen Alliance (BGA), one of the nation's leading voices on environmental responsibility, in 2006 because of the conviction that America can have both good jobs and a clean environment. Unfortunately, the EPA's plan – unacceptably and needlessly – sacrifices one for the other. If we work together, we can deliver solutions that both improve our air quality and help reduce the risks of climate change, while ensuring that workers are not left behind and our society's growing energy needs are met.

This proposed rule sets new, aggressive greenhouse gas (GHG) emission limits and criteria pollutant standard for light- and medium-duty vehicles. Specifically, the agency proposal would be phased in over MYs 2027-2032 vehicles to cut emissions by 55 percent for light-duty vehicles and 44 percent for medium-duty vehicles. The proposed rule intends to limit the amount of pollution each automaker is allowed to generate, effectively outlawing the internal combustion engine (ICE) – coercing the auto industry into producing more Battery Electric Vehicles (BEVs) and strong-arming consumers into buying them. Further, this proposed rule does not fully consider the impact on jobs and job quality, speed of infrastructure rollout and domestic supply chain revitalization, and alternative measures to reduce emissions from ICE vehicles.

Job Impacts

As mentioned prior, USW represents the majority of workers in the auto supply chain and oil refinery workers. The auto supply chain has historically been characterized by high union density, family-supporting wages and benefits, and pathways to the middle class. However, the shift to low-emission vehicle deployment cannot leave these workers behind. Unfortunately, the EPA’s proposal for multi-pollutant emissions standards does not address the impact on jobs. EPA must consider how the transition to low-emission vehicles will impact manufacturing workers and the communities they live in. This should be an essential part of the comprehensive analysis that EPA conducts to project its proposals’ economic impacts.

Due to the speed of the transition to electric vehicles in EPA’s proposal, tens of thousands of America’s best manufacturing jobs are at risk, devastating not only oil workers, but those who make catalytic converters, pistons, fuel lines, and numerous other materials, parts, and components for gasoline-powered vehicles. Research finds that there are 1,300 facilities manufacturing light- and medium-duty vehicles and their components. Of these facilities, approximately 225 manufacture ICE light- and medium-duty vehicles and their components, like engines and transmissions, fuel efficiency technologies, and tailpipe pollution reducing technologies. The facilities producing these components and fuel are the most likely to see near-term job loss from the increased deployment of low-emission and ZEVs. Additionally, there are nearly 900 facilities making “fuel agnostic” components for heavy-duty vehicles, such as glass and seat belts, and these components are a large part of the auto supply chain that will be disrupted with the proposed rapid transition to ZEVs.¹

¹ [BlueGreen Alliance Foundation](#), “U.S. Automotive Manufacturing: Motor Vehicles, Parts, and Materials”, Accessed July 5, 2023.

The transition to low-emission vehicles must function to raise the job quality and safety standards associated with all impacted workforces, including manufacturing workers, drivers, and mechanics. We remain deeply concerned that workers manufacturing components for and assembling ZEVs earn lower wages and receive less benefits when compared with workers manufacturing components for ICE vehicles.² The high quality of these jobs is attributable to the ICE vehicle manufacturing sector's dense unionization. Union membership helps ensure that workers share in the benefits of the economic growth they help generate through collective bargaining, higher wages, increased access to healthcare, and improved retirement security. As a whole, union members earn approximately 20 percent more than their nonunion counterparts, helping to increase social mobility and improving workers' economic outcomes.³

Additionally, it is imperative to highlight that Black workers account for 12.5 percent of workers economy wide, but 16.6 percent of workers in the auto sector, while workers without a four-year degree account for 62.2 percent of workers economy wide, but 74.6 percent in the auto sector.⁴ The auto manufacturing sector represents a critical path to the middle class for the very workers and communities that have disproportionately borne the brunt of neoliberal economic and trade policies. It is essential that EPA leverage available data to project how its proposals will shape the domestic auto manufacturing sector, and the workers and communities that comprise it.

Fortunately, there is a way to ensure that a transition to low-emission vehicles is equitable for the workers significantly impacted – a gradual transition. An Economic Policy Institute (EPI) report, conducted in collaboration with BGA, the United Auto Workers, the United Steelworkers, and the AFL-CIO, found that a gradual transition to BEVs significantly reduced the amount of jobs lost in the auto sector. For example, one of the best scenarios configured in the report accounted for combustion vehicles taking up 50 percent, hybrid vehicles at 25 percent, and battery electric vehicles at 25 percent of the market share by 2030. This scenario could lead to the creation of over 154,000 new jobs in the auto supply chain and over 36,000 new jobs in auto assembly. However, such job gains are contingent upon a significant onshoring of the BEV supply chain, such that the domestic content of BEVs at least matches that of ICEs, and there being a 10 percent increase in the share of U.S.-made vehicles sold in the

² [Economic Policy Institute](#), "The stakes for workers in how policymakers manage the coming shift to all-electric vehicles," September 22, 2021.

³ [U.S. Department of Labor](#), The Union Advantage. Accessed July 5, 2023.

⁴ [Economic Policy Institute](#), "The stakes for workers in how policymakers manage the coming shift to all-electric vehicles," September 22, 2021.

U.S. auto market. This report concludes that a more gradual and focused approach in transitioning to ZEVs is key.⁵

In order to protect good-paying, union jobs and promote a safer environment, EPA should address the negative impacts on jobs and job quality that the proposed rule creates. Without well-rounded policy, good paying jobs are lost and communities are destroyed.

Infrastructure Rollout and Domestic Supply Chain Revitalization

EPA relies heavily on the potential critical role and incentives from the manufacturing investments from the Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act (IIJA) for its proposed emissions standards. Programs related to the auto manufacturing sector include the Battery Manufacturing and Recycling Grants, the Battery Material Processing Grants, the Domestic Manufacturing Conversion Grants, the 48C Advanced Manufacturing Tax Credit, the Advanced Technology Vehicle Manufacturing Loan Program, the National Electric Vehicle Infrastructure Program, and the Charging and Fueling Infrastructure Grant Program.

While the proposed rule is not wrong that the investments made by IRA and IIJA should spur investments in new technologies to lower emissions of vehicles, it does fail to consider the timeline and effectiveness of program implementation. Undoubtedly, these manufacturing investments will take time to achieve their full production capacity. Also, small and medium manufacturers in the auto supply chain must be informed, encouraged, and assisted in utilizing these investment opportunities in order to prevent job loss. At this time, outreach to these companies is limited. EPA should coordinate with the Department of Energy (DOE), the Department of Transportation (DOT), and the Department of Commerce (DOC) to better understand how its regulatory timelines correspond with the investments that will support regulatory compliance. More to this point, the Administration continues to delay rollout of the Build America, Buy America provisions in the IIJA, which is hindering domestic manufacturing investments for a variety of products, including products contributing to the transition to low-emissions vehicles.

While the proposed rule is “technology neutral”, there is an underlying assumption in it that the shift will be to ZEVs, more specifically BEVs, rather than low-emission vehicles. EPA’s proposal completely writes off plug-in hybrid electric vehicles (PHEVs) and other low-emission technologies through the requirement that

⁵ [Economic Policy Institute](#), “The stakes for workers in how policymakers manage the coming shift to all-electric vehicles,” September 22, 2021.

BEVs take up over half of the U.S. auto market by 2030. EPA’s proposed rule calls for 37 percent of new light-duty cars and trucks to be BEVs by 2027 and more than 60 percent by 2030. It is important to note that BEV sales were just under 6 percent in 2022.⁶ Additionally, the proposed rule goes above the Biden Administration’s Executive Order 14037, *Strengthening American Leadership in Clean Cars and Trucks*, which called for BEVs, PHEVs, and fuel cell electric vehicles to take up 50 percent of U.S. auto market by 2030.⁷

EPA only models for BEVs, even though our nation’s electric grid is far from ready for the energy transition.⁸ America’s electric grid will be sorely challenged by the need to deliver clean power to BEVs. Even today, the electric grid barely functions in times of ordinary stress, and fails altogether too often for comfort, as widespread blackouts in California, Texas, Louisiana, and other states have shown.⁹ Problems ranging from grid congestion to age of transmissions to demand for electric cannot be addressed overnight even with investments from the IRA and IIJA. EPA must work with DOE and other relevant departments and agencies to understand current bottlenecks, and the additional strain that a high percentage of BEVs would have on our electric grid.

Further, the domestic supply chain for components and the charging infrastructure isn’t close to being readily available.¹⁰ This proposed rule does not strike a balance between the ambition to reduce emissions and the practicality of the disruption in the supply chain. If EPA requires automakers to achieve far-reaching standards in an unreasonable time frame, they will rely on cheap, readily available components from countries, like the People’s Republic of China (PRC), where a large amount of the current ZEV supply chain is located.¹¹ Encouraging sourcing products from the PRC and similar countries does not advance best practices to reduce our environmental footprint as the use of coal to power manufacturing facilities is still prevalent there.¹² The potential offshoring of the automotive supply chain not only harms manufacturing workers and communities in the U.S., it also allows automakers to cut their costs in pursuit of lower environmental and labor standards abroad.

⁶ [Alliance for Automotive Innovation](#), “EPA’s EV Rules are Out of Whack: Five Ways to Fix Them”, June 28, 2023.

⁷ [U.S. White House](#), “Executive Order on Strengthening American Leadership in Clean Cars and Trucks”, August 5, 2021.

⁸ [The New York Times](#), “Why the U.S. Electric Grid Isn’t Ready for the Energy Transition”, June 12, 2023.

⁹ [The Washington Post](#), “Plug-in cars are the future. The grid isn’t ready”, October 16, 2021.

¹⁰ [Alliance for Automotive Innovation](#), “EPA’s EV Rules: What it Means for China and the U.S. Auto Market”, June 12, 2023.

¹¹ [Foley & Lardner LLP](#), “EPA Moves to Tighten Passenger and Heavy-Duty Vehicle Emissions Standards; Seeks to Drive Majority of New U.S. Car Sales to EVs by 2030”, April 13, 2023.

¹² [National Public Radio](#), “China is building six times more new coal plants than other countries, report finds”, March 2, 2023.

Lower Emissions for ICE Vehicles

In the proposed rule, the EPA's approach to lowering emissions is termed the technology-neutral way, which envisions using more clean-running gas vehicles, hybrids, fuel cell vehicles, and other innovations to meet more stringent standards. However, in this proposed rule, EPA did not consider improvements to ICE vehicles with off-the-shelf technology. EPA's proposal will outlaw ICE vehicles without considering or encouraging manufacturers to invest in engine and fuel efficiency technologies that would lower emissions.

Engine efficiency and aftertreatment systems can help achieve CO2 reductions, while protecting workers in the ICE vehicle supply chain and oil refinery workers during the transition to low-emission vehicles. Existing and new technologies ranging from engine improvements and hybridization can achieve between 5 and 50 percent GHG reductions. For example, gasoline particulate filters (GPFs) significantly reduce fine particulates black carbon.¹³ GPFs are required in Europe and Asia in order for vehicles to comply with regulations there. Off-the-shelf technologies that reduce tailpipe emissions from ICE vehicles – such as GPFs – could easily and affordably be applied to light- and medium- duty vehicles sold in the United States, with no additional research and development needed. Automakers should be able to employ a combination of ZEV and ICE improvement technologies to comply with the final rule.

Technology that lowers emissions for ICE vehicles should be elevated in this proposal. EPA could do this by keeping the rule technology neutral and finalizing a more practical timeline for emissions reductions. These technologies protect jobs in the current auto supply chain and ensure that our nation is actively pursuing policy to lower vehicle emissions. Standards must be reassessed with the inclusion of these technologies because the current proposal will eliminate the ICE vehicle all together, and is not an economically or socially viable rule.

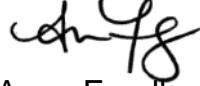
Conclusion

USW appreciates the opportunity to provide comments on the proposed rule for Multi-Pollutant Emissions Standards for Light- and Medium-Duty Vehicles. This proposed rule would have devastating impacts on workers in the auto and oil sectors. America cannot afford an all or nothing approach to energy or industrial policy that creates winners and losers and leaves skilled manufacturing workers – among the nation's greatest assets – behind.

¹³ [DieselNet](#), "Gasoline Particulate Filters", Accessed July 5, 2023.

Our union welcomes the opportunity to participate in a comprehensive dialogue with EPA on the proposed emission standards for all types of vehicles. Manufacturing workers share the EPA's vision of a cleaner future; they just want to make sure that they're part of it. We look forward to continuing to work with this Administration to maintain and create jobs, while rebuilding America's industrial policy.

Sincerely,



Anna Fendley

Director of Regulatory and State Policy