#2523 Rec'd 4/19/06

Shepherd, Natalie

From: Di Pagnotti [DPagnotti@AIAM.ORG]
Sent: Wednesday, April 12, 2006 1:13 PM
To: EP, RegComments
Subject: AIAM Comments on LEV

Attached are comments from AIAM on the proposed rulemaking to amend the Pennsylvania Clean Vehicles Program to require compliance with the California LEV II emissions standards for vehicles sold in PA beginning in the 2008 model year. If possible, please confirm receipt.

Thank you for the opportunity to comment.

Regards,
Di Pagnotti

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April 12, 2006

Pennsylvania Environmental Quality Board
P.O. Box 8477
Harrisburg, PA 17105-84777

Dear Sir or Madam:

The Association of International Automobile Manufacturers (AIAM) is a trade association representing fourteen international automobile manufacturers, which account for approximately 40 percent of the passenger cars and 20 percent of the light trucks sold annually in the United States. AIAM auto manufacturer members include Aston Martin, Ferrari, Honda, Hyundai, Isuzu, Kia, Maserati, Mitsubishi, Nissan, Peugeot, Renault, Subaru, Suzuki, and Toyota. AIAM members also include original equipment suppliers and other auto-related trade associations.

AIAM appreciates the opportunity to provide comments on Pennsylvania's proposed rulemaking to amend the Pennsylvania Clean Vehicles Program to require compliance with the California LEV II emissions standards for vehicles sold in Pennsylvania beginning in the 2008 model year. We would like to emphasize that all vehicles sold throughout the United States are "clean" vehicles, and it is unnecessary for Pennsylvania to adopt California vehicle emissions standards. We do not believe the California vehicle emissions standards will provide any additional environmental benefits for Pennsylvania for the reasons stated below. This is primarily because the California LEV II vehicle emissions standards and the Federal Tier 2 emissions standards essentially require the same vehicle emissions control technologies to be applied.

The Pennsylvania proposed rulemaking to amend 25 PA Code, Chapter 126, Subchapter D, identifies emissions reductions which are expected to be achieved by 2025, including 2,850 to 6,170 tons per year of volatile organic compounds (VOC), 3,540 tons per year of nitrogen oxides (NOx), and 5 to 11 percent reduction in six air toxics, the latter of which is primarily due to perceived differences in California versus Federal evaporative emissions standards. These theoretical estimated benefits were obtained through the use of mobile source emissions modeling. In particular, the Pennsylvania air toxics emissions reduction estimates appear to be significantly overstated. EPA has stated that the emissions benefits of California LEV II over the Federal Tier 2 standards is on the order of 2 percent for toxics

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emissions in 2020 for states adopting California LEV II standards starting with the 2004 model year and lower for states adopting those standards later as proposed in Pennsylvania.[1] It is noteworthy that this EPA statement was made over two years ago and does not account for EPA's very recent proposed rule to further reduce toxics emissions with more stringent Federal vehicle emissions standards.

These projected emissions benefits represent a tiny fraction of Pennsylvania's overall vehicle emissions inventory of VOCs and NOx. Modeling the Pennsylvania mobile sources emissions inventory in 2025 assuming Federal standards versus California standards yields a difference of at most a few percentage points, which is well within the normal error ($\pm$10 percent or more) associated with modeling future inventories. Such small modeling differences are not statistically significant. It is important to note that modeling produces fairly large errors due to the considerable in-use variables which affect vehicle emissions, such as, differences in local fuels, driving habits, driving speeds, vehicle fleet mix, weather patterns, and other factors in the real world which differ from the modeling assumptions.

Additionally, the Pennsylvania modeling failed to consider that 60-70 percent of current new vehicle models sold in the U.S. are certified for sale as so-called "50-state" vehicles. This means that the manufacturers have designed and calibrated the vehicles to simultaneously comply with the California standards and the Federal standards. The exact same vehicle models are sold in California and all other states. Obviously, there can be no additional environmental benefits by adopting California standards for this vast majority of vehicles.

Finally, the Pennsylvania modeling failed to account for recently announced changes in the Federal vehicle emissions standards due to the EPA mobile sources air toxics program. See 71 FR 15804, March 29, 2006. In this *Federal Register* notice EPA proposes more stringent Federal vehicle emissions standards to further control mobile source air toxics emissions, including more stringent evaporative emissions standards to harmonize with California standards and cold temperature non-methane hydrocarbon (HC) (similar to VOC) standards. These more stringent Federal standards will substantially reduce vehicle HC and toxic emissions and essentially eliminate any perceived difference in Federal and California standards. In some cases, the Federal standards may provide even more environmental benefits than California standards.

The adoption of California standards in Pennsylvania may also have some unexpected consequences for consumers. Currently no diesel vehicles are certified for sale in California. Some manufacturers are working to develop "clean diesel" vehicles by the 2008 model year which will meet California emissions standards, but this is not a certainty. In addition, the California requirements for onboard diagnostic systems for diesel vehicles present other impediments over and above the emissions standards themselves.

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[1] See enclosed letter dated March 26, 2004, from Chester France, Director, Assessment and Standards Division, EPA Office of Transportation and Air Quality, to Kenneth Colburn, Executive Director, NESCAUM.

Additionally, several manufacturers recently announced that they do not plan on certifying flexible fueled vehicles (FFVs), which can operate on E85 fuel (85 percent ethanol/15 percent unleaded gasoline), in California this year. Several states, including California, have shown considerable interest recently in E85 and FFVs, because of the desire to promote the use of renewable fuels. Again, there is uncertainty about the future of FFVs and E85.

Again, thank you for the opportunity to comment on the Pennsylvania proposed rulemaking. If you have any questions regarding these comments, please contact John Cabaniss of my staff at (703) 247-2107.

Sincerely,

Timothy C. MacCarthy
President and CEO