

# ENVIRONMENTAL DEFENSE FUND STATEMENT ON U.S. ENVIRONMENTAL PROTECTION AGENCY AND NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

"PROPOSED RULE GREENHOUSE GAS EMISSIONS STANDARDS AND FUEL EFFICIENCY STANDARDS FOR MEDIUM- AND HEAVY-DUTY ENGINES AND VEHICLES"

EPA-HQ-OAR-2010-0162; NHTSA-2010-0079

PETER ZALZAL ATTORNEY

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On behalf of Environmental Defense Fund and our more than 700,000 members nationwide, I sincerely thank you for the opportunity to testify today.

The Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) have proposed the first-ever program to reduce greenhouse gas emissions and improve the fuel efficiency of medium- and heavy-duty vehicles. This proposal

responds to the Supreme Court's decision in *Massachusetts v. EPA* and addresses the transportation sector's second largest contributor to oil consumption and greenhouse gas pollution, accounting for nearly 2.5 million barrels of oil per day and emitting about 20 percent of U.S. transportation greenhouse gas pollution. EDF strongly supports the agencies' proposal, which will have significant, cross-cutting benefits for America's families, including:

Job Growth: The agencies' proposed standards are good for American business. The clear, common-sense regulatory structure will help companies develop clean technology and efficiently get technological innovations to market. In a recent op-ed, Cummins's CEO Tom Linebarger recognized the critical role these standards play in "getting innovations to market that will create economic opportunity for American companies and jobs for American workers."

American truck and engine manufacturers like Cummins are poised to reap the economic benefits of these standards, ensuring that American manufacturers are both leading innovation here at home and leading exporters of advanced clean-truck technologies.

Money Savings: Technology to reduce greenhouse gas emissions from medium- and heavy-duty vehicles is cost-effective for America's fleet and truck owners. For instance, a new "18 wheeler" meeting the proposed standards will yield a net savings up to \$74,000 in avoided fuel costs over the truck's useful life. These significant savings are an important part of the more than \$41 billion in net societal benefits attributable to the agencies' proposal.

<u>Pollution Reduction / Energy Security / National Security</u>: The agencies' proposed standards will also address the closely intertwined goals of reducing harmful global warming pollution, securing our energy supply, and promoting national security. Over the lifetime of vehicles sold between 2014 and 2018, these proposed standards will reduce greenhouse gas emissions by 250 million metric tons of CO2 equivalent and reduce oil consumption by more

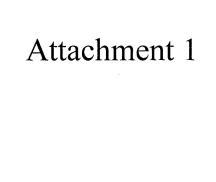
than 500 million barrels, or a projected daily oil savings comparable to entirely offsetting our nation's Iraqi oil imports by 2030. This rule is an important step toward breaking our dependence on foreign oil and curbing our contribution to climate change.

Moreover, truck and engine manufacturers can comply with the agencies' standards and Americans can realize these significant, cross-cutting benefits by broadly deploying currently available technologies. In fact, a recent report by the National Academy of Sciences found that a variety of technologies are available today to improve fuel efficiency and reduce pollution even beyond what is proposed in the rule. As early as 2005, FedEx deployed hybrid medium duty trucks, and today, there are more than 2,000 of these vehicles on the road. UPS, Pepsi, Coca-Cola, Purolator Courier, AT&T, and Florida Power & Light are among the more than 150 companies that have these vehicles in their fleets.

These standards provide a clear path forward for fleets already utilizing advanced technologies as well as those looking to integrate advanced technologies into their fleets.

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I would like to again thank you for the opportunity to testify concerning these important standards for medium- and heavy-duty vehicles. Simply put, EPA's and NHTSA's commonsense proposal is good for our economy, for our health, for the environment, and for our security. EDF applauds the agencies for taking this critical step forward, spurring American innovation and reducing global warming pollution while promoting national security. We share the agencies' desire to ensure a rigorous, robust final rule, and we look forward to providing more specific comments in our written submission. Thank you.



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### Clear rules can create better engines, clean air

Written by

#### Tom LinebargerFred Krupp

Cummins' cleaner diesel engine technology is pioneered at its headquarters in Columbus, Ind. Its reach is global. Nearly two-thirds of Cummins' sales come from outside the United States.

Cummins is preparing to lead the way in meeting critical new challenges by forging breakthrough engines that will reduce our dependence on foreign oil, save money at the pump and cut greenhouse gas pollution. To drive this innovation, our nation needs clear and consistent standards and effective collaboration among diverse interests, including this corporate leader and this environmentalist.

The 40-year-old Clean Air Act has been getting pollutants out of the air we breathe, while the economy has grown. The Heavy-Duty Highway Rule, finalized in 2001, has delivered greater than 90 percent reduction in particulate matter and nitrogen oxide emissions for new engines. This year we will see another significant regulatory innovation in the form of greenhouse gas and fuel-efficiency standards for mediumand heavy-duty vehicles.

So while we pause to celebrate the accomplishments of the past, we need to quickly and vigorously focus on our energy future and energy security.

This country's ability to compete in the global marketplace depends on technological leadership. A clear and consistent set of standards can help drive that leadership.

Companies need clarity and simplicity on what is required and who is responsible for making and enforcing the rules.

The greenhouse gas reduction proposal just released by the EPA and the U.S. Department of Transportation is the result of President Obama's call in May for such collaboration. The goal by 2018 is to reduce greenhouse gas emissions by up to 20 percent on some of the commercial vehicles while increasing fuel efficiency by as much as 25 percent.

The proposed standards would lead to significant benefits over the lifetime of the vehicles produced in the first five years of the program: reducing oil consumption by



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more than 500 million barrels, saving consumers more than \$34 billion in fuel costs and reducing carbon dioxide emissions by 250 million metric tons.

A common-sense regulatory structure has helped companies such as Cummins along the path of clean diesel technology and competitive advantage. Cummins spends millions of dollars a year researching and developing technologies to improve fuel efficiency and reduce emissions. Today's new on-highway diesel engines in the U.S. emit 99 percent less particulate matter and nitrogen oxide than 30 years ago.

The company's Selective Catalytic Reduction technology not only reduces nitrogen oxide to near-zero levels but also reduces fuel consumption. Cummins' heavy-duty engines introduced with SCR this year offer up to 6 percent improved fuel efficiency compared to models made in 2009.

Finally, strong environmental standards play a crucial role in getting innovations to market that will create economic opportunity for American companies and jobs for American workers. It will drive advanced technology development, encourage energy diversity and reduced dependence on foreign oil.

Seeking common ground is the key to success. It helps that government agencies like EPA and the Department of Transportation have an open and collaborative process in the development of these first-ever commercial vehicle standards. It helps that Cummins and other

forward-thinking businesses view this as an opportunity to innovate and increase international market share.

With clear goals and consistent rules, we will be able to develop the new engines that America needs while preserving and protecting our planet for future generations.

Linebarger is president and chief operating officer of Cummins in Columbus. Krupp is president of the Environmental Defense Fund in New York.

