

July 14, 2010

BY ELECTRONIC TRANSMISSION

Docket Management Facility, M-30 National Highway Traffic Safety Administration Department of Transportation West Building, Ground Floor, Room W12-140 1200 New Jersey Avenue, S.E. Washington, D.C. 20590

Attention: Docket ID No. NHTSA-2010-0079

Re: Comments in response to the NHTSA NOI to Prepare an Environmental Impact Statement for New Medium- and Heavy-Duty Fuel Efficiency Improvement Program

The American Council for an Energy-Efficient Economy is a nonprofit organization dedicated to advancing energy efficiency as a means of promoting economic prosperity, energy security, and environmental protection.

National Highway Traffic Safety Administration's (NHTSA) announced on June 14th its intention to prepare an Environmental Impact Statement (EIS) to analyze the potential environmental impacts of the agency's new fuel efficiency program for commercial medium- and heavy-duty on-highway vehicles and work trucks and invited comments from stakeholders to help identify the environmental issues and reasonable alternatives to be examined in the EIS. We support a comprehensive fuel efficiency regulation encompassing all classes of medium-and heavy-duty vehicles. Such program not only will reduce fuel consumption but also will reduce greenhouse gas (GHG) emissions, improve the economy, and enhance national energy security.

The NHTSA notice describes a variety of possible alternatives that are under consideration for the forthcoming medium- and heavy-duty vehicle standards. The notice acknowledges the complexity of this industry while stressing the fuel consumption reduction opportunities these vehicles present. NHTSA is considering five alternative approaches to setting standards for medium- and heavy-duty vehicles. Our initial comments on these alternatives follow.

1. Alternative 1: No Action.

Taking no action on medium and heavy-duty fuel efficiency will keep 20% of total fuel use and GHG emissions from the U.S. transportation sector unaccounted for and therefore, cannot be supported. The No Action alternative also fails to help the country reduce fuel expenditures or increase energy security.

2. Alternative 2: Engine Only.

This alternative may help in framing a regulation in line with the EPA's criteria pollution reduction program from this sector but would not encompass non-engine parameters including vehicle drive train, aerodynamics, tires, trailers and accessories that strongly affect fuel efficiency. Another drawback to this alternative is the difficulty in translating engine efficiency gains into vehicle fuel efficiency improvement, which would impede any quantification of program benefits.

3. Alternative 3: Class 8 Combination Trucks.

This alternative would bring the biggest fuel consumers in the medium- and heavy-duty fleet under a regulatory framework but would leave more than 50% of fuel consumption in this sector unabated. Also, regulation of Classes 2b to Class 7 vehicles will promote new technology introduction for these vehicles, which will help strengthen the economy and create new jobs.

4. Alternative 4: Engines, Tractors, and Class 2b through Class 8.

This alternative encompasses all classes of medium- and heavy-duty vehicles but leaves trailers out of the regulatory framework. Trailers contribute to fuel consumption by increasing aerodynamic drag, rolling resistance of tires, and truck weight. Simple improvements in trailers with off-the-shelf technology will provide very substantial, low cost savings opportunities. It is estimated that trailer improvements with the EPA SmartWay technologies could improve fuel efficiency of tractor-trailers by about 10%.

5. Alternative 5: Engines, Tractors, Trucks, and Trailers.

The final alternative is the best alternative, encompassing all classes of medium- and heavy-duty trucks, including trailers, and providing an opportunity to harness both economic and environmental benefits from this sector. Bringing in all classes of medium- and heavy-duty trucks is challenging and complex, but not to do so would deprive the country of greater dividends in fuel savings and emissions reductions. A progressive regulatory framework for these vehicles will encourage the use of technologies that can cut fuel costs, save oil, create jobs, and reduce GHG emissions. The National Academy of Sciences (NAS) review of fuel economy technologies for heavy-duty trucks cautions against regulating a subset of these vehicles and argues that uneven policy application will cause disruptions in the marketplace and create the potential for reclassifying certain vehicles, along with other unintended consequences. We also agree with the NAS review that there is a potential for significant fuel efficiency improvements from these vehicles in the near-term with a well-defined rule that carefully considers all relevant factors.

The medium- and heavy-duty vehicle fuel efficiency program gives us an opportunity to save money, reduce transportation fuel consumption and GHG emissions, and improve our energy security. We are encouraged by the President's observation that large tractor trailers, representing half of all greenhouse gas emissions from this sector, can reduce greenhouse gas emissions by as much as 20 percent and increase their fuel efficiency by as much as 25 percent with the use of existing technologies. We calculate that 25% fuel efficiency improvement, as envisioned by the President, across all the medium- and heavy-duty vehicles would lessen fuel consumption by 230,000 barrels of oil equivalent per day and save about 14 billion dollars annually in fuel costs by 2020 from this sector. Therefore, we reiterate our support for a comprehensive, forward-looking regulation encompassing all classes of medium- and heavy-duty vehicles, including trailers.

We hope our comments will assist NHTSA in the development of an EIS for the New Medium- and Heavy-Duty Fuel Efficiency Improvement Program. If you have any questions, please contact Siddiq Khan, American Council for an Energy-Efficient Economy (ACEEE), 529 14th Street, N.W., Suite 600, Washington D.C., 20045 (email: <u>skhan@aceee.org</u>).

Sincerely,

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