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THE ASSOCIATION FOR THE WORK TRUCK INDUSTRY

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NTEA – The Association for the Work Truck Industry submits the following comments to NHTSA's "Notice of Intent To Prepare an Environmental Impact Statement for New Medium- and Heavy-Duty Vehicle Fuel Efficiency Improvement Program Standards" published July 9, 2014 (79 FR 38842).

The NTEA

The NTEA is the nation's only trade association representing distributors and manufacturers of multi-stage produced, work related trucks, truck bodies and equipment. The NTEA also represents various industry-related firms and organizations. The NTEA currently has over 1,600 member companies located throughout the nation. Most NTEA members are small businesses that sell on a local or regional basis.

The average NTEA member is a typical small business, a closely held corporation or independent proprietorship, run by community based management, operating a single facility and employing a small local work force. The average distributor member of the NTEA, the companies that sell and install truck bodies and related equipment (and generally are considered final stage manufacturers under NHTSA definitions), have been in business some 30 years, have less than $5 million in annual sales and employ 20 people. The vast majority of NTEA members that are final stage motor vehicle manufacturers (FSM's) qualify as small businesses for purposes of the Small Business and Regulatory Flexibility Acts.

Vehicles produced by NTEA member companies for commercial or vocational use include, but are not limited to, dump trucks, utility company vehicles, aerial bucket trucks, tow trucks, beverage delivery trucks, digger derricks, snow removal vehicles, agricultural platform and

stake body trucks, fire trucks, ambulances and a host of other specialized configurations.

The typical NTEA distributor member (a FSM by NHTSA definition) is capable of producing an almost endless variety of vehicle configurations. They can mount any one of numerous body types and work equipment on a chassis from any of the manufacturers. For instance, the same company may mount a utility body on a Dodge chassis one day, an aerial bucket on a Ford chassis the next day and a dump body on a GM chassis the next. Items such as toolboxes, winches, liftgates and ladders might also be added before the vehicle is completed.

Vehicle Categories

The Energy and Independence Security Act of 2007 (EISA) called for medium and heavy duty truck regulations and in recognition of the industry's diversity authorized the agencies to create separate standards for different classes of vehicles. Appropriately, the first regulations did so with three classes of vehicles.

The NTEA represents companies building and using vehicles in all three categories but our core membership is involved in the *Class 2b-8 Vocational Vehicle* and *Class 2b and 3 Heavy-Duty Pick-Up Trucks and Vans* categories.

The regulatory approach taken in Phase I for these vehicle classes seems appropriate and the regulations as they take effect seem to be feasible. Extending this regulatory approach for Phase II seems to be the most logical course.

The NTEA suggests that the preferred approach in these vehicle categories would be to continue a focus on the drive train. While there are an almost infinite number of end-use vehicle configurations (particularly in the vocational vehicle category) being produced by more than 1000 final stage manufacturers, the number of engine configurations and OEM's is limited.

Vehicle Configurations

As noted by the Agency, "The HD sector is extremely diverse in several respects, including types of manufacturing companies involved, the range of sizes of trucks and engines they produce, the types of work the trucks are designed to perform, and the regulatory history of different subcategories of vehicles and engines. The current HD fleet encompasses vehicles from the "18-wheeler" combination tractors one sees on the highway to school and transit buses, to vocational vehicles such as utility service

trucks, as well as the largest pickup trucks and vans. Compared to the light-duty sector, there is a much larger number of heavy-duty truck manufacturers, which vary in size and level of build process integration. For example, some trucks are assembled by a body builder using components from an engine manufacturer, a powertrain manufacturer, component suppliers, and a chassis builder. Each of these separate stakeholders has an impact on the fuel efficiency of the truck. NHTSA is therefore developing Phase 2 in recognition of the complex industry structure and providing for increasing coverage of the opportunities for fuel efficiency improvement."

In a 2005 rulemaking NHTSA estimated that approximately 365,000 vehicles are produced annually in the 10,000 – 26,000 lbs. vehicle population. In this weight range the NTEA determined that there were approximately 30 distinct chassis available from the major chassis manufacturers (i.e. GM, Ford, Dodge, Freightliner, International…). The data base NHTSA used for its estimates, VIUS (the vehicle inventory and use survey) lists approximately 25 distinct body types. The NTEA's membership roster and directory lists over 140 distinct body types, at least 100 of which would be applicable to the proposed weight range. This means that there are at least 3000 distinct chassis and body configurations likely to be affected by this proposed regulation. Any one of close to 1,000 final stage manufacturers could be producing these trucks.

Vehicle Duty Cycles

The March 2010 National Academy of Sciences study (*Technologies and Approaches to Reducing the Fuel Consumption of Medium- and Heavy-Duty Vehicles*, National Academy of Science, Committee to Assess Fuel Economy Technologies for Medium- and Heavy-Duty Vehicles) recognized one important distinction within the truck market - duty cycle. This is the relationship between the operating and rest time of the vehicle. In the case of vocational trucks, much of the "rest time" can involve significant engine use. For instance, a truck with an aerial bucket device may be driven to a job site and be at "rest" for much of the day but while at rest the engine is driving a power take-off (pto) unit that operates the aerial device – the primary work purpose of the truck.

The NAS study highlights that different trucks can be used in very different ways. A single duty cycle does not encompass the multitude of ways in which MHDVs are utilized. Indeed, even a variety of such duty cycles that include differing factors such as vehicle size, load capabilities, purpose and area of operation will only be able to paint the truck marketplace with a very broad brush.

Clearly, as the agencies concluded in Phase I, the chassis and the engine are the components of a vocational truck that offer the greatest opportunities for fuel efficiency increases and greenhouse gas reductions. We support this conclusion. This method of regulation creates a level playing field and provides benefits to every vocational truck built, regardless of use.

Alternative Fuels, Advanced and Innovative Technology

Given that the ultimate goals of the rulemaking for which this scoping document and assessment is being prepared include increasing the fuel efficiency of trucks, alternative fuels along with advanced and innovative technologies should be promoted and incentivized.

The NTEA recommends an analysis of the opportunities to monetize credits for the implementation of alternative fuels, advanced and innovative technologies in the vocational vehicle category.

The credits should be fungible across vehicle categories and should be made available to the entity responsible for the installation of the advanced or innovative technology or the conversion to an alternative fuel in a manner such that they can transfer them to other affected stakeholders.

For instance, if a final stage manufacturer installs an after-market hybrid system on a truck to operate attached equipment, the FSM and/or hybrid system manufacturer could be provided some level of credit for the fuel savings associated with the installation that could be transferred to an OEM or engine manufacturer. The value of the transferrable credit could be set such that there is both an environmental and monetary benefit.

Conclusion

The almost endless variety of truck chassis, engine, body and equipment combinations that are available in the marketplace exist for the sake of efficiency. The market structure made up of OEM's, equipment suppliers, body manufacturers and small business final stage manufacturers exists because it embodies the most efficient system to produce these well-defined trucks.

Anyone buying this type of trucks is doing so to accomplish a job – whether it is for public service (state, federal municipal) or business. They want to buy the least expensive (to own and operate) truck that will accomplish the specific tasks required

of it. As such, they take great care in specifying the proper combination of attributes for their truck. The primary point here is that, first and foremost, the truck must be able to accomplish its task.

The agency should be cautious of any unintended consequence that results in an end user needing to purchase a larger truck due to reduced engine capabilities to do the same task they were previously accomplishing with a smaller truck.

The marketplace has always demanded efficiency and has embraced technological change that reduces operating cost. It is our hope that this analysis serves to enhance this economic process and not hinder it.

Sincerely,

Michael Kastner
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