

Good Morning/Afternoon. My name is Susan Alt, Senior Vice President of Public Affairs for Volvo Group North America. Thank you for the opportunity to provide the Volvo Group's view on this important issue.

The Volvo Group is one of the world's leading manufacturers of heavy duty trucks. In the United States we produce Volvo trucks and the iconic Mack Truck. The Volvo Group has been manufacturing in the US since 1903 and directly employs more than 13,000 Americans. We indirectly employ tens of thousands more Americans through our supply chain. Our major facilities are in North Carolina, Pennsylvania, Virginia, and Maryland. We have invested nearly \$2 billion in our nine manufacturing facilities since 2002 and spend more than \$250 million in R&D in the U.S. every year.

Our trucks are distributed by the independently owned Volvo and Mack dealer network. Over the course of today, you will be hearing from several of these small businesses regarding the negative impact of the EPA's proposal.

We are here today to voice opposition to EPA's proposal to repeal the emissions standards for heavy duty glider vehicles. A glider vehicle is essentially a new truck that's been equipped with a used engine. Their original purpose was to allow truck owners to salvage working powertrains after severe accidents by installing the wrecked truck's engine and transmission into new cab and chassis assemblies. The glider vehicle market was just a few hundred per year for decades, and Volvo has never objected to gliders used for the aforementioned purpose. In fact, the Phase 2 rule as finalized provides for production of a volume of glider vehicles to meet this market need.

In 2010 a significant emission reduction was required for newly manufactured diesel engines. Not coincidentally, we've watched the glider vehicle market grow more than tenfold since 2010, now reaching "significantly over 10,000 gliders in 2015" according to EPA records. Why did the volume grow so dramatically? Because some companies exploited the opportunity to offer glider vehicles with older "pre-emissions" engines to customers seeking to avoid modern emissions control systems. Today almost no glider **vehicles** uses 2 of 3 **donor** components from the same truck to be installed into his new truck. Most glider vehicles today are mass produced, custom-built new trucks with donor components that come from any possible source. Most glider vehicle **buyers** today are not small operators trying to salvage their truck after an accident or unable to afford new trucks – the glider buyers today are small, medium and even large fleets buying new replacement trucks, equipped with non-compliant engines, to haul for-hire loads on America's highways. These glider vehicles not only skirt current emission regulations, but they also skirt safety regulations such as Electronic Stability Control - technologies that help keep both the driver of the truck and the cars safer.

The Agency recently conducted comparison testing of late model year glider vehicles to late model year OEM products and found the glider vehicles emitted 43 times more NOx and 55 times more soot in highway conditions than today's low emission diesel vehicles. The **current** annual impact of glider emissions already grossly outweighs that of the VW diesel engine violations in the U.S. at their peak

The current proposal may help a handful of glider manufacturers, but will hurt a much larger number of small businesses who are not selling glider vehicles. There are several Mack Trucks Volvo truck dealers negatively impacted on their *new* vehicle sales by glider vehicles. This has influence on their viability and impacts the livelihoods of the more than 14,000 Americans they employ. The Administration should be aware that some glider kits are manufactured in Mexico; whereas every truck sold by Mack and Volvo for the US is built by a highly skilled, well compensated workforce right here in America.

The EPA has expressed strong support for DERA, the Diesel Emissions Reductions Act, part of a clean diesel program that funds projects that improve air quality by reducing harmful emissions from diesel engines. Since 2014, DERA has expended some 150 million taxpayer dollars to fund the replacement of older, higher polluting engines from America's roadways. It would be confounding to spend taxpayer money in this way and then allow the same older, dirtier engines to be re-introduced into commerce by glider vehicles.

The Clean Air Act is not at all ambiguous with regard to EPA's authority to regulate glider vehicles. We will provide a comprehensive view of our legal position in our written submittal to the docket. A repeal of the Phase 2 glider provisions makes a mockery of the massive investments we've made to develop low-emission compliant technology. The EPA must restore a level playing field where all actors are playing by the same set of rules and maintain the glider provisions as finalized in the Phase 2 rule.

Thank you for your time and attention.