

January 31, 2011

Environmental Protection Agency  
Air Docket  
EPA Docket Center  
Mailcode: 6102T  
1200 Pennsylvania Ave., NW  
Washington, DC 20460  
Attention Docket: EPA-HQ-OAR-2010-0162

National Highway Traffic Safety Administration  
Docket Management Facility, M-30  
U.S. Department of Transportation  
West Building, Rm. W12-140  
1200 New Jersey Ave., SE  
Washington, DC 20590  
Attention Docket: NHTSA-2010-0079

Subject: Greenhouse Gas Emissions Standards and Fuel Efficiency  
Standards for Medium- and Heavy-Duty Engines and Vehicles

To Whom It May Concern:

### Introduction

The Recreation Vehicle Industry Association (RVIA) appreciates the opportunity to provide comments in response to the proposed joint rulemaking to establish greenhouse gas emissions standards and fuel efficiency standards for medium- and heavy-duty engines and vehicles. RVIA is the national trade association that represents the manufacturers of recreation vehicles (RVs) including motorhomes, fifth wheel trailers, travel trailers, folding camping trailers, truck campers and their component suppliers.

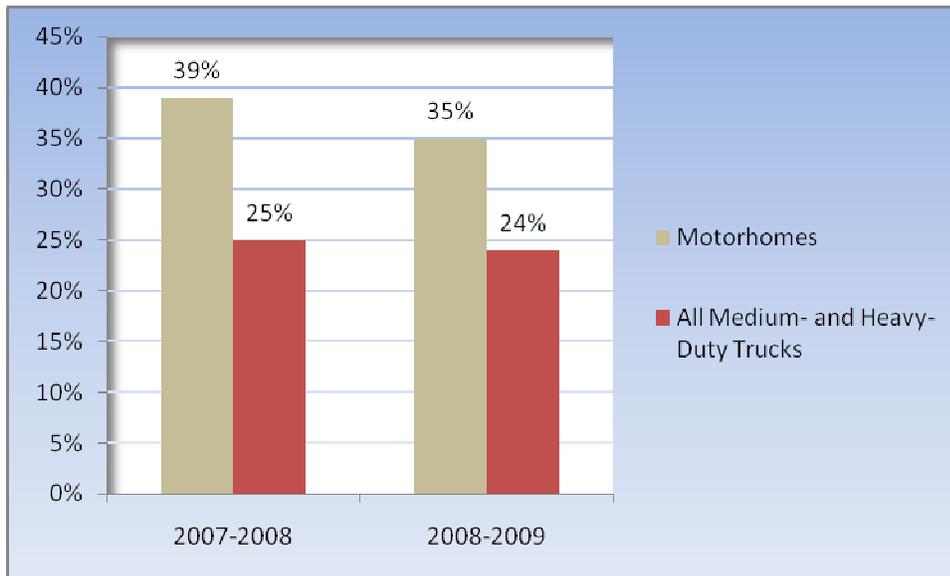
RVIA supports the goal of improved fuel economy and lower greenhouse gas (GHG) emissions for medium- and heavy-duty vehicles. There is no question that if the engines that go into motorhomes and the work trucks that pull towable RVs can be redesigned to consume less fuel, environmental benefits will be realized. However, unlike commercial vehicles, motorhomes and the vehicles that tow RV trailers are discretionary purchases. RVIA's first and foremost concern is that this rule and those to follow in the future could have a major negative impact on RV industry jobs. A separate economic impact and cost-benefit analysis is needed for non-commercial medium and heavy duty vehicles.

The basis for our jobs concerns rest with the fact that motorhomes are not commercial vehicles and though they do in fact share some common components with commercial trucks, they are discretionary purchases, whereas commercial trucks are not. Because of this *basic* difference, potential motorhome buyers are much more likely to defer or potentially abandon purchasing a motorhome due to economics. This was readily apparent during the recent recession when, as shown in the graph below, motorhome sales fell 39% from 2007 to 2008 and another 35% from 2008 to 2009<sup>1</sup> while sales for medium- and heavy duty trucks in total fell only 25% and 24%, respectively during the same period.

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<sup>1</sup> Motorhome sales in 2007, 2008 and 2009 were 47,293, 29,022 and 19,006, respectively. Source: Statistical Surveys. Medium- and heavy-duty trucks sales in 2007, 2008 and 2009 were 8,668,292, 6,526,974, and 4,966,803, respectively. Source: Automotive News Data Center.

## Percent Decline in Sales



This economic data clearly demonstrates that the purchasing mentality of the motorhome buyer is vastly different than that of a commercial business owner and that non-commercial vehicle sales are much more likely to be negatively impacted when economic pressure is applied. Notwithstanding the fact that Congress limited its mandate to address medium- and heavy-duty vehicle fuel consumption to commercial vehicles (and that NHTSA has similarly decided not to regulate motorhomes), if EPA intends to give further consideration to including motorhomes in its GHG regulation, it must assess the economic impact that is specific to non-commercial vehicles and it should not attempt to apply a cost-benefit assessment for commercial vehicles to personal use vehicles such as motorhomes. In conducting this assessment and in considering the economic damage that might be brought to bear on the tens of thousands persons working in the U.S. RV industry, EPA should be cognizant that, in 2009, motorhomes made up only about 1/3 of 1% of the total medium- and heavy-duty truck market in the U.S. <sup>2</sup>

<sup>2</sup> In 2009, motorhome sales were 19,006 compared to total medium- and heavy-duty trucks sales of 4,966,803 (Source: Automotive New Data Center and RVIA Industry Profile 2009)

The above concerns are true as well for the work trucks that will be purchased, not by commercial businesses, but by private individuals for towing RVs<sup>3</sup>. As with motorhomes, these purchases are discretionary and will be deferred or abandoned if the economics are such that other lifestyle options become financially more attractive. Given that towable RV production accounts for the overwhelming majority of U.S. RV industry jobs – some 90% plus of all RVs are towable - regulatory actions that cause private parties to defer or abandon purchasing tow vehicles (and the towable RVs that might otherwise be bought) could result in the loss of hundreds and possibly thousands of U.S. RV industry jobs, not unlike what occurred in 2008 and 2009. Consequently, when setting fuel consumption and CO2 standards for work trucks, EPA and NHTSA must assess the economics applicable to, not just some, but all stakeholders. EPA and NHTSA must consider and assess what will be the likely reaction by private individuals when the price of an RV tow vehicle increases by \$1,411<sup>4</sup> simply due to this one regulation. Furthermore, per the recent Executive Order issued by President Obama, EPA and NHTSA must consider the impact of these cost increases not in isolation, but rather in conjunction with other environmental

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<sup>3</sup> Unlike work trucks purchased for commercial purposes by landscaping operations, construction companies, etc., towable RVs and often the vehicles capable of towing them are discretionary items. Whereas when the landscaper's work truck dies, he has no choice but to purchase a new truck or otherwise go out of business. He will absorb the cost increase of the new truck by increasing the costs of his services. The situation is quite different when it comes to the purchase of an RV. If either the RV or the vehicle needed to tow it becomes unaffordable, the potential purchaser will simply forego the acquisition.

<sup>4</sup> EPA's estimated cost increase for 2018 model year work trucks.

and safety regulatory requirements that are planned to take effect in the 2014 to 2018 timeframe. Examples include the following:

1. NHTSA's proposal to amend FMVSS 119 (New Pneumatic Tires for Motor Vehicles with a GVWR Greater than 10,000 lbs.)<sup>5</sup>. In this proposal, NHTSA has estimated that the upgraded endurance and high speed testing requirements will increase the cost of each tire by \$15 to \$95 (depending on the load rating for the tire). For a motorhome with six tires, this requirement could add up to nearly \$600 to the cost of the vehicle.
2. NHTSA's planned proposal to introduce an electronic stability control (ESC) requirement for vehicles having a GVWR greater than 10,000 lbs. Given that NHTSA estimated the cost of its light duty ESC rule at \$90.30/passenger car in its April 6, 2007, final rule, it is likely that the ESC rule for heavy trucks will yield a similar or greater cost impact on a per vehicle basis.
3. CARB's HD OBD rule is estimated to increase per vehicle cost by \$134.36.<sup>6</sup>

The above rules are but a few examples. To accomplish this, EPA and NHTSA must jointly compile a list of regulatory requirements that will go into effect in the 2014-2018 timeframe. Once compiled, EPA and NHTSA should place this list along with the accompanying aggregate cost assessment into the docket for public review. On the benefits side of the equation, EPA and NHTSA must take into consideration the fact that work trucks purchased

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<sup>5</sup> See page 60060 of the NPRM published in the Federal Register on Sep. 29, 2010.

<sup>6</sup> See CARB's Technical Status and Revisions to Malfunction and Diagnostic System Requirements for Heavy Duty OBD, Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles and Engines.

primarily for RV towing will not see anywhere near the mileage accrued by commercial truck owners over the same compressed time period. Thus, the fuel savings benefits for this group of work truck owners will typically be far less than those realized by commercial businesses. The EPA and NHTSA cost-benefit analysis should be revised to reflect this reality. In doing so, you should meet not only with business owners, but also with private individuals to assess their likely reaction to varying price increase levels. It is our expectation that if work truck manufacturers are forced to impose a price increase on private individuals of several hundred dollars per model year, there will likely be a major drop in not only tow vehicle sales by non-commercial owners, but towable RV sales as well.

#### The White House Executive Order of January 18, 2011, and the Energy and Independence Security Act of 2007

Per the January 18, 2011, White House Executive Order<sup>7</sup> on improving regulation and regulatory review, President Obama has directed EPA and other regulatory agencies to write regulations that promote economic growth and create jobs while at the same time protecting public health and welfare, safety and the environment. If finalized as proposed, this regulation will likely have a negative impact on RV industry jobs and thus contradict the most important tenant of the President's recent directive. If finalized as proposed, the regulation will also violate the provision within the Executive Order that calls for greater coordination across agencies through the simplification and harmonization of requirements. Given the fact that EPA has decided to apply its standards to non-commercial vehicles while NHTSA

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<sup>7</sup> Section 1 of the January 18, 2011, White House Executive Order states that "our regulatory system must protect public health, welfare, safety, and our environment while promoting economic growth, innovation, competitiveness, and job creation."

has decided to do exactly the opposite, the proposal is clearly not in keeping with the President's directive that federal agencies harmonize their requirements. If the agencies are going to comply with the Executive Order, they must have a common position with respect to the treatment of non-commercial vehicles.

The issue of non-commercial vehicles was addressed by Congress when it created the Energy and Independence Security Act of 2007 (EISA). By limiting the medium- and heavy-duty vehicle fuel consumption mandate to commercial trucks, EISA reflected and appropriately dealt with the important distinctions that exist between commercial and non-commercial vehicles<sup>8</sup>. We recognize that EPA is not bound by the EISA mandate, however, for the reasons discussed previously, we believe that the rule will impact private individuals (purchasers of non-commercial vehicles) in a manner that is very different from the way in which it will impact commercial businesses and that it would therefore be inappropriate to extend the applicability of the requirements to non-commercial vehicles.

## Other Issues

### *Work Factor*

Throughout the recent history of the CAFE program, RVIA has been a strong advocate for NHTSA factoring in cargo capacity and tow capability when setting fuel consumption standards for the light duty

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<sup>8</sup> As noted in the NPRM on page 74156, the Energy Independence and Security Act of 2007 required NHTSA to set standards for "commercial medium- and heavy-duty on-highway vehicles and work trucks" and that NHTSA interprets this to include all segments of the heavy-duty category, except for recreational vehicles, such as motor homes, since recreational vehicles are not commercial.

vehicles that are used for RV towing. Absent such consideration, there is a significant risk that RV owners will be forced to purchase vehicles for towing that do not have the capability to tow an RV safely. Because the "work factor" approach proposed by EPA and NHTSA factors in payload capacity, towing capacity, and four wheel drive, RVIA supports the NPRM "work factor" approach proposed for medium and heavy duty vehicles.

### *Low Rolling Resistance Tires*

EPA's proposed application of low rolling resistance (LRR) tires to motorhomes further demonstrates the absurdity of the concept of extending EPA's version of fuel consumption standards to non-commercial vehicles. The issue of ride quality is vastly more important to a motorhome owner and his or her family than it is to the operator of a concrete mixer, refuse hauler or utility truck operator. Road noise will also be much more pronounced with LRR tires and similarly a major issue for motorhome owners. The suspension changes necessary to counteract the influence of these negative inherent tire design factors could be very substantial. Active suspension is one possible solution, but the cost and complexity associated with that solution would almost certainly have a deleterious effect on motorhome sales. Once again, these lower sales would have a serious impact on the slow economic recovery the RV industry is experiencing. More modest suspension changes would require a significant amount of vehicle testing and consumer focus/polling in an effort to quantify the result of those changes.

The level of testing required to validate all of the vehicle's dynamic handling characteristics affected by multiple changes of both basic tire characteristics and substantial suspension changes cannot be realistically completed in two short years. LRR tires also typically require longer stopping distances, particularly in wet conditions. In addition to having to address this issue in the vehicle dynamics study, such potential safety issues could further negatively impact sales in this totally discretionary market. Motorhome buyers are not "risk" takers and they are highly informed consumers. As such, the possibility of a negative sales impact is a real concern.

RVIA recommends that EPA and NHTSA conduct a separate non-commercial vehicle cost-benefit analysis for LRR tires and in the process of doing so account for the extensive costs associated in developing and testing the chassis suspension modifications that will be necessary for motorhomes. When examining benefits, EPA and NHTSA should be sure to account for the fact that motorhomes are used on average 4.8 times per year for about only 38 days and driven on average between 3,700 miles per year<sup>9</sup>. EPA and NHTSA should not apply the LRR requirement to non-commercial vehicles if it is not justified and supported by a cost-benefit analysis that is representative of motorhome use.

Separate from costs, before and EPA and NHTSA mandate the use of LRR tires across the board for all vocational vehicles, the agencies should verify that these LRR tires are indeed capable of meeting the enhanced endurance and high speed test requirements contained in the NHTSA NPRM that was published September 29, 2010 (see 75 FR

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<sup>9</sup> Source: Affinity's Highways magazine: average motorhome use and average miles per year. Affinity operates the Good Sam club – the nation's largest RV owners club.

60036). Furthermore, in light of the forthcoming electronic stability control rule that NHTSA intends to issue for trucks over 10,000 lbs GVWR, the agencies should similarly verify that these tires will not have an impact on vehicle stability control that will diminish the benefits of this rulemaking.

### *Small Business Provisions*

RVIA supports the proposal to exempt small businesses from the requirements of the regulation and while we understand the need for small businesses to provide EPA and NHTSA a statement explaining how they qualify as a small business, there is no reason why small businesses should be required to submit the same statement year after year when nothing has changed. EPA and NHTSA should revise the reporting requirement so that small businesses are required to file a justification statement in advance of the new rules taking effect and then, and only if their small business status changes, should they be required to file a revised statement. EPA and NHTSA must be cognizant of the fact that “small businesses” are resource-challenged and should not be burdened with unnecessarily frequent reporting requirements. At a minimum, EPA and NHTSA should reduce the frequency of the reporting requirement to every five years.

### Summary & Recommendations

RVIA supports the agencies’ goals of improving the fuel efficiency of medium- and heavy-duty trucks and work trucks. Consumers and the environment alike will benefit if the standards are developed in a thoughtful and careful manner. Unfortunately, it is apparent that in proposing to extend the CO2 requirements to non-commercial vehicles, EPA did not

consider and perhaps was not even aware of important differences that exist between businesses that acquire non-discretionary commercial vehicles and private individuals who may be considering the purchase of a purely discretionary non-commercial vehicle such as a motorhome. As we explain in these comments, private citizens who may be considering the purchase of a motorhome or a work truck capable of towing an RV are much more likely to defer or abandon the purchase due to economics. This was demonstrated during the last recession - please see the data provided in the *Introduction Section* of these comments. Given the estimated cost increases that EPA and NHTSA have provided for vocational vehicles and work trucks used for RV towing, we believe that, unless revised, the new regulatory requirements will result in a loss of RV industry jobs due to a reduction in the sales of motorhomes and towable RVs. For EPA and NHTSA to comply with the January 18, 2011, Executive Order issued by President Obama, the agencies must revise their joint proposal to promote economic growth and create jobs. It is unacceptable to put thousands of U.S. RV industry jobs at risk purely because of self-imposed regulatory deadlines and/or the fear that assessing indirect costs and their implications might expose the true cost of the regulations and thus prevent the agencies from implementing their desired approach. The agencies must perform the due diligence necessary to prevent an unnecessary and totally preventable reoccurrence of the job losses that the RV industry suffered in 2008 and 2009.

In consideration of the above, RVIA recommends the following:

1. EPA must be consistent with the EISA mandate and the January 18, 2010, Executive Order which calls for regulatory harmonization and eliminate the proposal to include non-commercial vehicles in this rulemaking.

2. For work trucks, EPA and NHTSA should conduct a separate cost-benefit analysis for private citizens purchasing work trucks for purely discretionary purposes (e.g., RV towing).
3. For work trucks, EPA and NHTSA should oppose any recommendations to abandon the proposed "work factor" approach since it does a good job factoring in cargo-carrying capacity and towing capability.
4. EPA and NHTSA must meet with and talk to private citizens, not industry groups, about what level of price increase they will tolerate before they will defer or abandon the purchase of discretionary work trucks (e.g., pickups used for RV towing).
5. Per the Jan. 18, 2011, Executive Order, EPA and NHTSA must assess the implications of price increases *not in isolation* but rather in conjunction with other environmental and safety regulatory requirements that are planned to take effect in the 2014 to 2018 timeframe. EPA and NHTSA must compile a joint list of emissions, fuel economy and safety regulatory requirements that will go into effect in the 2014-2018 timeframe and submit this list along with the accompanying aggregate cost implications to the docket for public review and consideration. In carrying out recommendation #4 above, EPA and NHTSA should use these cost increases, not the numbers that are limited to this single rulemaking.
6. Absent the elimination of non-commercial vehicles from the regulation, EPA should conduct a separate non-commercial vehicle cost-benefit assessment for LRR tires and in doing so take into consideration not only the extensive costs of modifying motorhome suspensions but also the limited benefits that will ensue given the low mileages accrued by motorhomes.
7. If EPA decides to require that non-commercial vehicles must be fitted with LRR tires, it must provide more than two years for motorhome

chassis manufacturers to design, develop and prove-out the suspension modifications that will be required to offset the loss of ride quality due to the reduced performance characteristics of the LRR tires.

8. EPA and NHTSA should eliminate the requirement that small businesses be required to file small business entity status reports annually when this status has not changed. Only if a change in status occurs should a follow-up report be required. Furthermore, neither the initial report nor any follow-up reports should need to be filed with both agencies in this age of electronic dockets. There is no reason why the two agencies can't get together and come up with a common simplified filing procedure that eliminates the need to file the same report twice, once for EPA and once for NHTSA.

If there are questions or comments about these comments, please contact Jay Landers of RVIA at (703) 620-6003 or [jlanders@rvia.org](mailto:jlanders@rvia.org).

Sincerely,

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Government Affairs