

**WRITTEN STATEMENT OF THE
MANUFACTURERS OF EMISSION CONTROLS ASSOCIATION ON THE
OZONE TRANSPORT COMMISSIONS MODEL RULE FOR THE SALE OF
AFTERMARKET CATALYTIC CONVERTERS**

July 15, 2013

The Manufacturers of Emission Controls Association (MECA) is pleased to provide comments to the Ozone Transport Commission's proposed Model Rule for the Sale of Aftermarket Catalytic Converters. MECA recognizes the emissions benefits achievable from the existing light-duty vehicle fleet through the use of advanced aftermarket catalysts such as those exempted by California. However, a number of complexities and differences exist between California and Section 177 states that should be considered when evaluating the emission benefits of CARB aftermarket converter requirements within OTC states. MECA has strongly supported the efforts by the OTC to urge the U.S. EPA to revise their 1986 aftermarket converter exemption policy including the recommendations outlined in the April 8, 2011 OTC letter to EPA. We continue to believe that a revised federal aftermarket converter program is the most cost effective way of achieving the maximum emission reductions from the existing light-duty vehicle fleet.

MECA is a non-profit association made up of the world's leading manufacturers of emission control technology for mobile and stationary internal combustion engines. MECA member companies have over 35 years of experience and a proven track record in developing and commercializing exhaust emission control technologies for a wide range of on-road and off-road original equipment vehicles and engines. MECA also represents the majority of aftermarket catalytic converter manufacturers who have been supplying replacement converters under the California and U.S. EPA programs since their inception in the late eighties.

MECA recognizes the authority granted to states under Section 177 of the Clean Air Act to adopt California's new light-duty vehicle requirements; however, we recognize that significant differences exist between the resources and fleet composition in California and the OTC states. These differences create complexities with successfully implementing CARB's aftermarket converter standards and achieving all of the emission benefits of the regulation. Based on our experience from working with those states that have adopted CARB aftermarket converter standards, such as New York, MECA would like to highlight a few of our concerns for consideration by the OTC.

The model rule only allows for the sale of aftermarket converters that have a CARB Executive Order (EO). Although this is consistent with the language in the CARB regulation, the OTC should consider the composition of the OTR vehicle fleet with respect to the availability of CARB aftermarket converters. The California regulation requires CARB aftermarket converters even on federally certified vehicles. Because these engine families are not covered by CARB EOs, ARB has allocated resources to consider each federal vehicle on a case by case basis and identify a best fit CARB aftermarket converter for installation on that vehicle. This is facilitated in California by the fact that the installer network is set-up for the custom installation of universal fit converters into the existing exhaust system of a vehicle. The East coast installers prefer to work with direct fit exhaust assemblies that combine the converter with associated exhaust pipes into a bolt-on solution that is quicker and easier to install. These types of aftermarket converters are referred to as direct fit systems. Although some California and federal

vehicles may take advantage of the same catalyst technology, the exhaust configurations may be slightly different making it impossible to use the same direct fit aftermarket converter system on both California and federally certified vehicles. OTC states must consider the size of the federal vehicle fleet in their region and the necessary resources to assign appropriate CARB converters to these vehicles. Otherwise, vehicle owners will be forced to install expensive OEM converters on vehicles at the end of their useful life. The language in the model rule should clarify what types of converters, federal or CARB are required to be installed on federal vehicles or vehicle model years that are not subject to California regulations in each particular state. Defining how exempted vehicles are treated under the regulation will eliminate a great deal of confusion among the stakeholders.

Some section 177 states have chosen to allow the sale of federally exempted aftermarket converters for installation on federally certified vehicles in the state or for sale to out of state installers. Although this reduces the problem of aftermarket converter coverage, it complicates enforcement and makes maintaining a level playing field more difficult in a market that contains two products with significantly different price structures. This is further complicated by vehicles traveling in from out of state or state registered vehicles traveling to neighboring states to have a cheaper converter installed. We recommend including a visual inspection component to OBD based emission checks to insure that a proper converter is installed as is being done by California's Smog Check program. Without adequate enforcement or implementation staff resources, the maximum emission benefits of a California aftermarket converter program won't be realized.

MECA continues to believe that states should ban the sale of used converters in order to achieve the maximum emission benefits as predicted by the CARB regulation. MECA has shared the results of ARB's emission testing of used converters on seven different vehicles with OTC staff. The results concluded that 71% of used converters (five out of seven) failed to deliver any emission reduction at all, in fact the NOx emissions increased as a result of installing a used converter on some of the test vehicles. The amount of the NOx increase ranged from 17% to 152%. For this reason ARB decided to ban the sale of used converters so that they could insure the maximum emission reductions from the regulation. An additional benefit of a provision to ban used converters is to set a level playing field in the market for aftermarket products. Used converters must pass minimal testing and have no durability requirements, whereas new aftermarket converters must undergo rigorous testing, durability and OBD demonstration and come with a five year warranty. Only allowing the installation of used converters on OBD equipped vehicles, as stated by the model rule, relies on the vehicle's OBD system to identify faulty converters. Although this is a potential backstop against faulty used converters, it is important to realize that the tailpipe emissions from a faulty used converter may be as much as 50% higher than the vehicle's certification limit, which newly manufactured aftermarket converters must meet, before the OBD sensors illuminate the MIL light as allowed by the OBD emission threshold limit.

In closing, MECA continues to believe that the most efficient way to achieve maximum emission reduction from the in-use fleet is through a revised federal aftermarket program and we will continue to focus on that goal. We support the OTC's efforts to push EPA to act on a revised program that utilizes converter technology with improved emissions performance and

durability and we will support EPA's efforts to develop such a program. A federal program will eliminate issues of enforcement on out of state vehicles and provide advanced aftermarket converter coverage for federally certified vehicles that are not covered by existing California Executive Orders. MECA recognizes that until EPA decides to act, states that are in nonattainment for their ozone air quality are only left with California aftermarket regulations as a means to clean-up their existing light-duty vehicle fleet. In transitioning to new aftermarket converter requirements, MECA has identified a number of issues that states should consider when setting transition times for full implementation of regulations. We have highlighted these issues in the attached document titled, "MECA Recommendations for the Successful Implementation of New Aftermarket Converter Regulations". This document is also available on MECA's website (www.meca.org) under the Resources tab. MECA and our members look forward to working with the OTC and member states to help them achieve their emission reduction goals by cleaning-up the in-use light-duty fleet.

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MECA Recommendations for the Successful Implementation of New Aftermarket Converter Regulations

The Manufacturers of Emission Controls Association (MECA) strongly supports the adoption of stringent aftermarket converter emission regulations consistent with the capabilities of the most advanced three-way catalyst technology. MECA believes that significant emission reductions in NO_x, CO, and hydrocarbons are achievable by strengthening the requirements of the federal aftermarket converter exemption policy. We have supported the U.S. EPA's efforts in their review of their 1986 aftermarket converter program. MECA continues to believe that a more stringent federal aftermarket converter policy is the most effective approach toward cleaning up the fleet of in-use light-duty vehicles. This will eliminate the complexity of enforcing on out-of-state vehicles or illegal converters installed in neighboring states that may have different requirements. A federal policy would make available the most advanced aftermarket technology for federally certified vehicles that are not covered by existing CARB Executive Orders. Some states that have adopted California's light-duty vehicle program have decided to take advantage of the emission benefits offered by California's aftermarket program and have adopted the 2009 Title 13 Code of California Regulations, Article 2, Section 2222 regulations for Add-On Parts and Modified Parts into their state code of regulations. As part of the emissions benefit analysis that states complete to justify adopting California's aftermarket converter standards, consideration should be given to the specific make-up of the state's vehicle fleet and the vehicle coverage by CARB-exempted aftermarket converters. MECA members' analysis has shown that the aftermarket converter coverage of vehicles is lower for California-exempted converters than for existing federal converters.

Based on the experience gained through working with states that have already adopted CARB aftermarket converter regulations, MECA has identified a number of issues with implementing a CARB aftermarket converter regulation in the absence of resources that California has committed to the program. A number of critical steps exist in rolling-out new aftermarket converter regulations in order to effectively implement the new requirements. Just as with new vehicle regulations, in order to facilitate a smooth transition, aftermarket converter

manufacturers require sufficient lead-time to comply with new requirements to insure that parts are available and that outreach to consumers, distributors, and installers is completed. MECA recommends that the following issues be considered when establishing implementation dates for new aftermarket converter regulations to allow for an adequate transition period. MECA members would like to work with state regulatory agencies to facilitate this process.

Prior to the effective implementation date for new aftermarket converter requirements, manufacturers will need to:

- Quantify and analyze the vehicle fleet population and engine families in the state.
- Consider the practices of the vehicle repair industry in the state to insure the right mix of universal fit converters or direct fit exhaust assemblies are available in distributors' warehouses prior to the implementation date.
- Manufacture additional product inventory appropriate for the region.
- Procure a storage facility for new inventory and prepare for the smooth exchange of inventory once the regulation goes into effect.
- Develop specific aftermarket converter information tailored to the vehicle mix and model years covered by California regulations.
- Communicate the regulatory changes throughout the distribution and installation network and educate the supply chain on the new requirements.

MECA would like to work with state agencies on the following areas to insure the long term success of the program:

- Enforcement of the new regulation to maintain a level playing field in the market.
- Prepare a regulatory summary, in the form of a fact sheet, to clearly describe the key aspects of the regulation. This information should be distributed to the registered converter installers, distributors, retailers, and vehicle owners in the state or region.

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- Conduct workshops to address questions about the regulation and address implementation issues in preparation for a smooth transition.

MECA believes that a regulatory transition requires thoughtful planning and careful execution in order to minimize confusion and frustration by consumers and installers with regulatory changes. Once implemented, enforcement of the regulation is essential to achieve the full emissions benefit of the program. We request the state's consideration of the above issues when setting implementation dates for new aftermarket converter requirements. MECA members look forward to working with the appropriate agencies and all stakeholders to insure a smooth regulatory transition and successful enforcement of new aftermarket converter requirements.

Please feel free to contact MECA's Rasto Brezny (rbrezny@meca.org) with any questions that you might have.