
TO: EPA Docket Center (EPA/DC)
a-and-r-docket@epa.gov
EPA West Room 3334
1301 Constitution Ave., NW
Washington, DC
UNITED STATES OF AMERICA

ID NO.: EPA-HQ-OAR-2004-0008

CC: Margo Oge, Director
U.S. Environmental Protection Agency
Karl Simon, Director
Compliance and Innovative Strategies Division, U.S. EPA
Chet France, Director
Assessment & Standards Division, U.S. EPA
Glenn Passavant, Director
Nonroad Center, Assessment and Standards Division, U.S. EPA
Cleophas Jackson, Assistant Director
Office of Transportation and Air Quality, U.S. EPA
Shaun Donnelly, Assistant U.S. Trade Representative for Europe and the Middle East
Office of the U.S. Trade Representative

FROM: **EUROMOT – The European Association of
Internal Combustion Engine Manufacturers**
Lyoner Strasse 18
Frankfurt/Main, ZIP 60528
GERMANY

EUROMOT is committed to promoting the central role of the IC engine in modern society, reflects the importance of advanced technologies to sustain economic growth without endangering the global environment and communicates the assets of ICE power to regulators worldwide. For almost 20 years it has supported its members, consisting of national associations and companies from all over Europe and abroad, by providing expertise and up-to-date information and by campaigning on their behalf for internationally aligned legislation.

The engines manufactured by EUROMOT's members include the categories of engines that are subject of the NPRM.

UNITED STATES OF AMERICA
ENVIRONMENTAL PROTECTION AGENCY

Control of Emissions from Spark-Ignition Engines and Equipment
Proposed Rule

Docket ID No.: EPA-HQ-OAR-2004-0008

Euromot hereby supplements the comments we submitted last summer on U.S. EPA's proposed Phase 3 regulations applicable to small spark-ignited engines (72 Fed. Reg. 28098, May 18, 2007). These comments have been prepared to summarize the concerns of European handheld, small engine manufacturers with EPA's proposed, unilateral changes to the test equipment and procedures used to measure emissions from small spark-ignited engines.

Euromot represents small and large manufacturers of spark-ignited and diesel engines used to power various products, including lawn and garden equipment. Euromot-manufacturers of small SI engines include: Dolmar; Emak; GGP Alpina; Honda Europe; Husqvarna; Kawasaki; Kioritz (ECHO); Robin Europe; Shindaiwa; Stihl; Zenoah and others.

OVERVIEW

The EU (along with the international regulatory community) requires the measurement of engine exhaust data from small spark-ignited engines through "Part 90"-compliant test equipment, procedures and calculations. (EPA developed these well-established Part 90 requirements over 10 years ago and they have been adopted around the world). In June 2008, U.S. EPA plans issuing a final regulation that would totally replace these harmonized "Part 90" requirements with the EPA "Part 1065" procedures that are designed for much larger engines. The well-established Part 90 procedures are tailored to the unique challenges of small engines and therefore generate

very accurate, comparable and reliable test data. A unilateral shift to the Part 1065 test procedures would create unintended consequences, and conflict with the EU test procedures, and require European manufacturers (that export to the U.S. market) to replace or modify their existing Part 90-compliant test equipment and related software and calibrations. The U.S. EPA proposed test equipment changes would contradict the agreed-to goals of standards-harmonization and, in certain circumstances, could create a barrier to trade. Despite these adverse impacts, there is no discussion or consideration in EPA's proposal about the impacts of this change on foreign manufacturers or international trade.

PART 1065 TEST PROCEDURES WOULD CREATE DISCRIMINATORY TRADE BARRIERS

EPA's proposed, unilateral changes to these test procedures would force small European engine manufacturers (that need to produce uniform products for the global market) to spend millions of dollars to purchase, install and calibrate separate analyzers, software, and instrumentation (and invest in additional personnel) to re-test dozens of different, emission-compliant, engine families that are exported to the U.S. market. Based on EPA's administrative record and recent conversations with test equipment vendors, shifting to Part 1065-compliant test equipment will cost between \$100,000 and \$200,000 per test cell considering the likely hardware and software upgrade costs. A disproportionate cost burden would be born by smaller and mid-size European manufacturers that typically manufacture and certify small volume or "niche" products for the U.S. market. In fact, the higher per-unit costs of U.S. EPA certification-testing could bar small volume European and Asian producers from being able to compete and sell niche products in the U.S. market. For example, smaller manufacturers with only a few test cells would likely incur at least \$300,000 in additional costs in modifying their test cells in order to test and certify (with EPA) their US products under the Part 1065 procedures. Assuming a 5-year amortization, this would result (on average) in \$73,000 in additional testing costs per year. Many of the affected niche product lines produced by European and Asian manufacturers consist of only 1,000 units in U.S. sales each year. For such products, European and Asian manufacturers would incur additional, amortized testing costs in the range of \$73 per unit for niche lawn and garden product lines that

typically sell for less than \$300 per unit. Thus, the U.S. EPA's proposed "Part 1065" test procedures could create discriminatory trade barriers that unfairly discriminate against the smaller-volume European manufacturers and would require them to invest in expensive and redundant emission test equipment.

EUROMOT RECOMMENDATIONS

To date, the EU has not been consulted about EPA's proposed unilateral changes or been provided with any analysis of the implications of applying the new Part 1065 engine exhaust procedures on small engines and Part 90-compliant test equipment. Before eliminating or making any changes to the well-established Part 90 test procedures, EPA should closely collaborate with the appropriate EU authorities and create an effective consensus-based technical process that continues to allow for harmonized, small engine test procedures and equipment.

There is simply not adequate time to evaluate, much less address, numerous complex unresolved technical and trade issues through the needed international process – before EPA finalizes its Phase 3 rule in June, 2008. Consequently, in the final Phase 3 rule, EPA should:

- (1) Continue to apply harmonized Part 90 Test procedures to small spark-ignited engines;
- (2) Commit to initiate a process to develop Global Technical Regulation (GTR) with the coordinated participation of the EU and other international stakeholders (including Euromot) to develop new test procedures that are specifically tailored to the unique challenges of small spark-ignited engines.

Euromot looks forward to working with EPA to develop improved and harmonized test procedures through an international process with all the affected stakeholders, including the EU and Euromot.

Frankfurt/Main, Germany – 2008-03-19
Dr Peter Scherm - General Manager