

**WRAP COMMENTS ON EPA'S PROPOSAL TO REGULATE  
NONROAD DIESEL ENGINES AND FUEL  
68 Federal Register 28328 – May 23, 2003**

September 10, 2003

The Western Regional Air Partnership (WRAP) is pleased to submit the following comments on EPA's proposal to control emissions of air pollution from nonroad diesel engines and fuel (68 Federal Register 28328 – May 23, 2003). The WRAP is a collaborative effort of Western tribes, Western states, and federal agencies working with business and environmental interests to address regional haze in Western Class I Areas.

Some specific comments are provided below, but as a general matter, the WRAP strongly supports the EPA's proposed rule and believes it should be a priority for the Agency to finalize the rule as soon as practical. We urge EPA to promulgate these important regulations no later than April 2004. The WRAP's technical analysis indicates that in the absence of stringent new engine and fuel standards, future emissions from non-road mobile sources in the West will be significantly higher than emissions from on-road mobile sources. The EPA's proposed regulation is necessary if the West is to make reasonable progress towards improving visibility in our nation's Class I areas, as required by the Clean Air Act and EPA's regional haze regulations. The proposed regulation is also important to states and tribes striving to meet and maintain health-based air quality standards and will reduce significant health risks associated with diesel engine emissions in all states.

Phase-In of 500 ppm Sulfur Fuel. Sulfur emissions are one of the primary causes of haze in the West. Sulfur emissions from nonroad sources in the West are currently under-controlled relative to other sources. Without new controls, such as those in the proposal, emissions from non-road sources are expected to be the second largest category of sulfur emissions in the West in 2018, second only to industrial point sources. The WRAP therefore supports a 500 ppm fuel sulfur limit for nonroad engines, locomotives, and commercial marine vessels beginning in 2006 instead of 2007 as currently proposed. Of all the options evaluated in the EPA's regulatory impact assessment, this option provides the greatest overall sulfur reduction and will simplify compliance for Western industry which must also meet new sulfur standards for on-road diesel fuel beginning in 2006. The WRAP also recommends that EPA require 15 ppm low-sulfur non-road diesel fuel as soon as possible and no later than the 2010 timetable under the proposed rule, while maintaining economic flexibility for small refiners.

However, the WRAP is concerned that some of the expected benefit of the proposed nonroad diesel sulfur controls may be eroded by increases in sulfur emissions resulting from refiners selectively diverting more difficult to desulfurize distillate streams into home heating fuels. The WRAP states of Washington and Oregon would be negatively impacted by such an outcome, although clearly not to the degree Northeast states might be affected. Therefore, we would like to see the EPA take steps to control the sulfur content of home heating fuels to 500 ppm as well. Irrespective of questions regarding the scope of EPA's legal authority, we firmly believe it is within EPA's capability to facilitate a coordinated action among the effected states, which do have the authority to regulate heating fuel sulfur content, to cap heating fuel sulfur at 500 ppm simultaneously with the implementation of the proposed 500 ppm cap for nonroad fuels. The

WRAP recognizes there are some Alaska-specific issues due to Alaska's unique fuel distribution system that should be addressed through the proposed rule's rural Alaska provisions.

Small and Large Engine Standards. The WRAP believes that EPA's non-road diesel program should apply comprehensively to all engine sizes. Regardless of the emission standards adopted in the final rule for small engines (less than 75 hp), EPA should move forward with a technical assessment of future control options for these sources and promulgate additional regulations, if appropriate, by no later than 2007.

Nonroad Retrofit Credits. Exhaust emissions from existing nonroad engines are substantial contributors to regional haze in the West and will continue to be substantial contributors for many years given the phase-in period of EPA's proposed rule and the slow turnover rate of the nonroad fleet. The WRAP therefore supports the implementation of a retrofit program to generate credits which manufacturers can use for compliance purposes, provided such a program can be designed and implemented in a manner that ensures the emission credits are verifiable, quantifiable, and enforceable. The 20 percent discount (i.e., deduction) that EPA proposes on retrofit credits is one good example of ensuring the program's integrity, but several other issues need to be addressed. We strongly encourage EPA to involve the WRAP in the design and implementation of such a program. We expect early introduction of low-sulfur fuels in most of the WRAP region (PADD 4 and CA) and believe this offers several opportunities for early retrofit credits and demonstration projects.

Segregation of 500 ppm Sulfur Fuel. The WRAP has no specific comment on EPA's proposed approach to segregate 500 ppm sulfur fuel from other diesel fuel types, but encourages the Agency to ensure that the air quality benefits of existing onroad rules and the proposed nonroad rule are preserved.

Engine and Fuel Standards for Locomotives and Marine Vessels. While EPA's proposal does not include new engine standards for locomotives and marine vessels, the WRAP encourages prompt evaluation of the need for such standards. While promulgation of rules for 15 ppm low sulfur fuel standards and new engine standards may be addressed in separate rulemakings, the WRAP believes it would be most effective to coordinate implementation of such standards in a systems approach that links the scheduling of low sulfur fuels standards with new engine standards. The WRAP also encourages EPA to evaluate the costs and air quality benefits of extending the 15 ppm sulfur standard to fuel for locomotives and marine vessels. Lower sulfur fuel for these engines may be necessary both to achieve additional needed reductions in sulfur dioxide emissions and to enable new engine standards.

It would be most helpful for any resulting new engine standards to be promulgated no later than 2007 so that the benefits of such standards could be included in SIPs for regional haze (under Section 308), the 8-hour ozone standard, and the PM<sub>2.5</sub> standard.

The WRAP appreciates this opportunity to support and comment on the proposal to control nonroad emissions and encourages EPA to promulgate the rule and to address additional diesel issues identified above as soon as possible. We also look forward to working with the EPA on opportunities for early retrofits and demonstration projects in the West, where the prevalence of low-sulfur fuel may provide some unique opportunities.