Testimony for EPA Public Hearing on

Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles

May 10th, 2023

My name is Dan Byers, and I'm pleased to provide initial comments on this proposed rule on behalf of the U.S. Chamber of Commerce.

The Chamber and its members are proud of their longstanding role as a collaborative partner with EPA and state regulators to develop and deploy advanced technologies and vehicles that have contributed to America's remarkable progress on air quality and emissions reduction. This is a primary reason why we strongly support the continued transition to lower-carbon fuels and vehicles, and are committed to partnering with EPA and other stakeholders to make this effort a success.

For regulatory measures in this area to be successful, they must be technologically achievable, flexible, cost-effective, legally durable, and attentive to practical market and real-world considerations that affect consumer interest in electric vehicles. The Chamber has strong concerns that the proposed rule fails to meet these criteria by going too far, too fast, particularly in light of challenges associated with outside-the-vehicle factors that are critical to facilitating broad consumer support for EVs. These include:

- **Underdeveloped and unsecure supply chains for EV batteries.**
  Successfully ramping up efforts to address shortfalls in critical mineral supply chains necessary for EV manufacturing will take several years under even the most optimistic scenarios. This is a major reason why the proposed rule's front-loaded "ramp rate" is not realistically achievable, and could in fact exacerbate energy security issues associated with China's dominance of global EV supply chains.

- **Inadequate EV charging infrastructure**, which is widely regarded to be a prerequisite for consumer acceptance of electric vehicles. The Chamber encourages EPA to work with all stakeholders to ensure phase-in timelines within this rulemaking correspond to realistic expectations of EV charging infrastructure buildout.

- **Impacts on grid reliability and resiliency.** By EPA's own estimates, deployment of EVs as envisioned by the proposed rule would increase power demand by 3.5% in 2040. This presents a major challenge for an electricity system now facing its most difficult reliability concerns in decades.

- Importantly, EPA's modeling of this vehicle rule does NOT account for the just-released power plant rule that is expected to accelerate closure of dispatchable electricity generation, and the power plant rule does not account for increased electricity demand

resulting from this rule. For truly informed decision-making, the Chamber urges EPA to model the combined impact of both rules, as well as the recently proposed rule on heavy-duty vehicles.

The Chamber is also concerned that a number of EPA assumptions impacting vehicle technology costs and sales are overly optimistic. This could lead to an underestimation of compliance costs, which would in turn mean the rule underestimates negative impacts on both sales and auto sector employment, while overestimating the rule's emissions reductions, as lack of affordability causes consumers to drive older, more polluting cars for longer.

In summary, the Chamber urges EPA to revise its proposal to reflect a more realistic and achievable pathway for the EV transition that at a minimum does not exceed President Biden's own stretch goal of 40-50% EV sales by 2030.

Thank you.