

**BICEP Members:**

October 10, 2017

Annie's Inc  
Aspen Skiing Company  
Autodesk  
Aveda  
Ben & Jerry's  
Burton Snowboards  
CA Technologies  
Clif Bar & Company  
Dignity Health  
eBay Inc.  
Eileen Fisher  
Etsy  
Fetzer Vineyards  
Gap Inc.  
General Mills, Inc.  
IKEA  
JLL  
KB Home  
The Kellogg Company  
L'Oreal USA  
LBrands  
Levi Strauss & Co.  
Mars Incorporated  
Nature's Path Foods  
Nestle  
New Belgium Brewing  
Nike, Inc.  
The North Face  
Outdoor Industry Association  
Owens Corning  
Patagonia, Inc.  
Portland Trail Blazers  
Seventh Generation  
Sierra Nevada Brewing  
Squaw Valley  
Starbucks  
Stonyfield Farm  
Symantec Corporation  
Timberland  
Unilever  
Vail Resorts  
VF Corporation  
Vulcan, Inc.  
Worthen Industries

The Honorable E. Scott Pruitt  
Administrator  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

Dear Administrator Pruitt:

As a coalition of businesses committed to stronger climate and clean energy policies, we write to express our serious concern with EPA's reconsideration of the trailer provisions of the Phase 2 greenhouse gas (GHG) standards, Greenhouse Gas Emissions and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles—Phase 2. Business for Innovative Climate and Energy Policy (BICEP) was founded in 2009. The Ceres BICEP network is made up of forward-thinking companies who are respected leaders in our sectors and recognize that the low-carbon economy will continue stimulating growth and creating new jobs, while stabilizing our climate.

We represent \$437,698,998,000 billion in annual revenue. Our companies are largely considered "shippers," relying on freight trucking companies, or "carriers," to move goods through our supply chain and to market, though some of us have our own private fleets, which we purchase from the original equipment manufacturers (EOMs) of trucks and trailers.

The Phase 2 standards are an economically sound climate and energy regulatory policy. We fully supported the Phase 2 program during the rulemaking process and continue to support the standards today. In total, the Phase 2 standards will deliver \$170 billion in fuel cost savings over the lifetime of the covered vehicles and trailers – savings to our companies and our customers.

Emissions from freight transportation make up a significant portion of our environmental footprint. And Class 7 and 8 tractor-trailers account for approximately 60 percent of the heavy-duty sector's total CO<sub>2</sub> emissions and fuel consumption. Reducing these emissions is an important aspect of our sustainability goals.

Our companies support the trailer standards in particular as they will deliver a significant portion of the emissions and fuel cost savings from the program—EPA estimates trailer controls can account for one-third of the total reductions achievable for tractor-trailers—and they employ common sense, cost-effective measures that are already widely available and in use. The Phase 2 trailer standards will increase the benefits by 48% compared to truck standards alone.

In fact, the trailer standards are predicated on technologies and measures that many private fleets, including those among us, already employ on our trailers, and that we desire our carriers to use on their fleets when transporting our goods, such as side skirts, tails, weight reduction technologies, tire pressure systems, and low-rolling resistance tires. We have been buying and implementing these devices and measures over the last decade.

Many of us operate in California, where trailers are already required to have these control measures. Volunteer and regulatory programs such as EPA's SmartWay program and California's tractor-trailer GHG standards have accelerated the availability and market penetration of these fuel and cost saving devices that we rely on today. Through these regulatory programs, together with our own internal corporate policies, we are already experiencing the benefits of the same control measures the federal trailer standards will employ: improved fuel economy benefits to each of the entities down the supply chain from the trailer OEM.

The regulatory compliance costs that trailer OEMs incur are passed on to the end-users who purchase the trailers, including carriers, shippers, and private fleets—and ultimately to consumers. The costs that trailer manufacturers incur to comply with the Phase 2 trailer standards, which are passed on to us, will be far surpassed by the benefits from fuel cost savings. Overall, we anticipate that the Phase 2 standards will reduce our freight costs by 21 cents a mile as new trucks come into the fleet, and up to a third of these savings can be attributable to trailer efficiency measures. This quickly adds up to meaningful savings across our millions of distribution miles. In addition, six of the BICEP companies are SmartWay members. Through SmartWay, we reward fleets that adopt fuel efficiency solutions, like trailer aerodynamic devices.

Though emissions reduction and fuel economy measures such as aerodynamics and tire technologies are cost-effective and widely available, as shippers, when we purchase transport services from trucking companies, we cannot always ensure that they are utilized on the trailers that transport our goods. The Phase 2 federal trailer standards will create uniformity among the nation's fleet of trailers that will ensure that we—and our customers in turn—will consistently benefit from the fuel cost savings these measures provide.



# Ceres

*Sustainability is the bottom line.*

Our trailers and the trailers we hire operate on regional and city routes as well as long-haul trips—each trailer may be used in different applications and on different routes throughout its lifetime. As trailers are typically used across these environments, though the fuel economy benefits from efficiency technologies on trailers are greater for trailers that travel longer distances and at higher speeds, broad deployment of fuel saving solutions ensures that emissions and costs are minimized. Some of us have private fleets of our own trailers and have already submitted orders to trailer manufacturers for MY2018 trailers. We expect these trailers to be compliant with the Phase 2 trailer standards.

A stay of the trailer standards would deprive businesses of the benefits of improved fuel economy of the freight trucks that transport our goods. We urge you not to alter the duly promulgated Phase 2 trailer standards.

Respectfully submitted,

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