

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6515

July 20, 2023

The Honorable Michael S. Regan
Administrator
Environmental Protection Agency
1700 G Street NW
Washington, D.C. 20552

Dear Administrator Regan:

The House Committee on Small Business writes to inquire about the recent proposed rule change to the vehicle emissions standards for light duty passenger cars, light trucks, and medium-duty vehicles. This rule would require that vehicles made after 2027 meet heightened tailpipe emissions standards, require batteries within electric vehicles meet certain durability requirements, and limit the number of non-electric vehicles that importers are permitted to import annually.¹ This proposed rule would require numerous small entities to re-engineer their vehicles to comply with these increased standards, limit the supply of vehicles for Independent Commercial Importers (ICI), and create new standards for battery longevity.² It appears that the Environmental Protection Agency (EPA) may not have properly considered small entities during this rulemaking process.

The EPA asserts that this rule would have minimal effects on small businesses, in part, based on its claim that all small entity vehicle manufacturers in the United States specialize in electric vehicles; this is untrue. Currently, Shelby Supercar Company makes the fastest domestic production vehicle in the United States, and Hennessey Special Vehicles makes the second fastest—both companies are small entities, and neither uses electric power units in its vehicles.³ Additionally, this proposed rule would adjust the standards for ICI's such that they may only import 25 vehicles each year that are non-zero emissions. Lastly, this rule proposes excepting small businesses from its battery longevity requirements, despite this, numerous small firms will be compelled into complying with these standards as they seek to grow their business.

It is important for agencies to examine small businesses interests—which make up 99.9 percent of all businesses in the United States—when passing any new rule. America's small businesses deserve to have their voices heard and considered. It appears that the EPA's incomplete analysis has allowed it to avoid an important statutory requirement to hold a small

¹ Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles, 88 Fed. Reg. 29184 (2023) (to be codified at 40 CFR 85-86, 600, 1036-37, 1066).

² *Id.*

³ Dustin Hawley, *Worlds Fastest Production Vehicles*, J.D. POWER (Last visited Jul. 14, 2023).

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business advocacy review panel to hear from impacted small businesses. We therefore request the following information as soon as possible but no later than August 3, 2023:

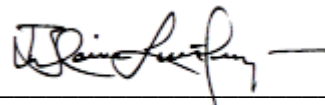
1. In this rule, the EPA repeatedly states “(t)he small entity vehicle manufacturers in the market at this time only produce electric vehicles,” but there are indeed many notable small businesses that do not specialize in electric vehicles.⁴ What analysis was done to evaluate the current market participants that this rule would impact?
2. The list of ICI’s in EPA’s Draft Regulatory Impact Analysis includes only three companies, this represents a decrease of 50 percent over the past 10 years.⁵ How have emissions regulations such as this impacted ICI’s over that period?
3. Given that there are small entity manufacturers of non-zero emission automobiles, how would the updated tailpipe emissions standards in this rule impact small businesses?
4. Did the EPA consider how the cost increases associated with this regulation would impact small businesses further down the supply chain, such as those that rely on light and medium duty vehicles for their work?

To schedule the delivery of your response or ask any related follow-up questions, please contact Committee on Small Business Majority Staff at (202) 225-5821. The Committee on Small Business has broad authority to investigate “problems of all types of small business” under House Rule X. Thank you in advance for your cooperation with this inquiry.

Sincerely,



Roger Williams
Chairman
Committee on Small Business



Blaine Luetkemeyer
Vice Chairman
Committee on Small Business

⁴ Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles, 88 Fed. Reg. 29184 (2023) (to be codified at 40 CFR 85-86, 600, 1036-37, 1066); *Worlds Fastest Production Vehicles*, J.D. POWER (last visited Jul. 14, 2023).

⁵ U.S. ENV’T PROTECTION AGENCY, MULTI-POLLUTANT EMISSIONS STANDARDS FOR MODEL YEARS 2027 AND LATER LIGHT-DUTY AND MEDIUM-DUTY VEHICLES DRAFT REGULATORY IMPACT ANALYSIS (Apr. 2015); U.S. ENV’T PROTECTION AGENCY, INDEPENDENT COMMERCIAL IMPORTERS (ICI) LIST (Jun. 2015).

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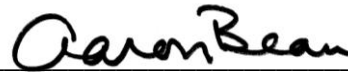
Pete Stauber
Member of Congress
Committee on Small Business



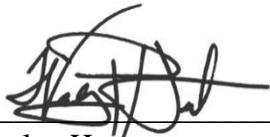
Dan Meuser
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