



THE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

JAN 12 2017

Dear Stakeholders:

I have determined that the model year (MY) 2022-2025 light-duty vehicle greenhouse gas (GHG) standards adopted in the 2012 final rule establishing the MY2017-2025 standards (77 FR 62624, October 15, 2012) are appropriate under section 202 (a)(1) of the Clean Air Act. This adjudicatory Final Determination concludes the Midterm Evaluation of standards required under 40 CFR 86.1818-12(h) of the Environmental Protection Agency (EPA) regulations.

This Final Determination follows the November 2016 release of the EPA's Proposed Determination and the July 2016 release of a Draft Technical Assessment Report (TAR), issued jointly by the EPA, the National Highway Traffic Safety Administration (NHTSA), and the California Air Resources Board (CARB). Opportunities for public comment were provided for both the Draft TAR and the Proposed Determination. In the Draft TAR, the agencies examined a wide range of issues relevant to GHG emissions standards for MY2022-2025, and shared with the public their initial technical analyses of those issues. The Draft TAR was required by the EPA's regulations as the first step in the Midterm Evaluation process. In developing the Proposed Determination, the EPA considered public comments on the Draft TAR and updated its analyses where appropriate in response to comments and to reflect the latest available data. The EPA has likewise considered public input on the Proposed Determination in developing this Final Determination.

As described in more detail in the enclosed rationale, I have determined that the standards adopted in 2012 by the EPA remain feasible, practical and appropriate under section 202(a) and do not need to be revised, after considering the factors laid out in the 2012 rule. I strongly believe that issuing this Final Determination at this time, in light of the robust technical record that supports it, is in the best interests of the auto industry, the One National Program to which the EPA, NHTSA and CARB committed in 2012, and public health and welfare. The success of the industry to date in achieving seven years of record sales while producing a large variety of vehicles that meet or exceed the standards reflects the fact that the development and deployment of advanced technology conventional gasoline engines has happened consistent with a robust vehicle market, more rapidly than we predicted, and at costs that are comparable or slightly lower than we predicted. I have considered carefully all the information submitted to the EPA from all stakeholders on the Proposed Determination, as well as on the Draft TAR, and I am confident that the standards as they currently exist can be met at a reasonable cost.

I note that in response to the EPA's solicitation of comment on the topic, several commenters spoke to the need for additional incentives or flexibilities in the out years of the program including incentives that could continue to help promote the market for very advanced technologies, such as electric vehicles. My determination, based on the record before me, is that the 2022-2025 standards currently in effect are feasible (evaluated against the criteria established in the 2012 rule) and appropriate under section 202, and do not need to be revised. This conclusion, however, neither precludes nor prejudices the possibility of a future rulemaking to provide additional incentives for very clean technologies or flexibilities that

could assist manufacturers with longer term planning without compromising the effectiveness of the current program. The EPA is always open to further dialogue with the manufacturers, NHTSA, CARB and other stakeholders to explore and consider the suggestions made to date and any other ideas that could enhance firms' incentives to move forward with and to help promote the market for very advanced technologies, such as electric vehicles (EVs), plug-in hybrid electric vehicles (PHEVs), and fuel cell vehicles (FCEVs).

Materials related to the Final Determination and Midterm Evaluation are available in docket EPA-HQ-OAR-2015-0827 and at <https://www.epa.gov/regulations-emissions-vehicles-and-engines/midterm-evaluation-light-duty-vehicle-ghg-emissions>.

We thank you for your interest in this issue.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gina McCarthy", written over a light blue circular stamp.

Gina McCarthy

Enclosure