



# Regulatory Announcement

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## Final Rulemaking to Update Compliance Fees

*The U.S. Environmental Protection Agency (EPA) is issuing a final rule to update the Motor Vehicle and Engine Compliance Program (MVECP) fees regulations under which fees are collected for certification and compliance activities related to air pollution control in motor vehicles and engines. This rulemaking updates fees to reflect increased costs of administering the compliance programs within the MVECP and will create a new fee structure for nonroad engine compliance programs.*

### **Background**

EPA's National Vehicle and Fuel Emissions Laboratory (NVFEL) has administered the MVECP fees program since its adoption in 1992.

Under this program, user fees are collected for activities pertaining to:

- Certification
- Fuel Economy
- Selective Enforcement Auditing (SEA)
- In-use Compliance

The Clean Air Act, as amended in 1990 and the Independent Offices of Appropriations Act (IOAA), provides the EPA legal authority to collect fees for specific services it provides to manufacturers.

The current fees program applies to manufacturers of light-duty vehicles and trucks, heavy-duty highway vehicles and engines, and highway motorcycles. EPA's final rulemaking updates fees for these industries. In addition, EPA has incorporated a new fees program for nonroad engine compliance programs that applies to manufacturers of farm and construction equipment, lawn and garden equipment, locomotive engines, recreational vehicles (including snowmobiles, off-road motorcycles and all-terrain vehicles), commercial and recreational marine compression-ignition engines and other nonroad engines.

The fees established in the rulemaking are based on a cost analysis recently conducted by the EPA. This analysis describes the costs incurred by the EPA in conducting certification and compliance activities under the MVECP. In addition, the cost analysis provides an overview of the methodology used to determine and allocate costs and provides a description of the new fees.

### **Key Elements of the Final Rule**

- EPA is adopting revised fees for existing and new highway motor vehicle and engine compliance programs and new fees for nonroad engine compliance programs.
- Fees recover costs to run compliance activities that support current and new regulatory programs.
- The impact of the revised fees on industries is reasonable and equitable. Fees are based on the amount of EPA certification and compliance activity devoted to each industry type. Manufacturers pay fees for the services received.
- The fees program is estimated to generate \$18 million annually which will recover the government's costs and make EPA's mobile source compliance programs self-sustaining to the fullest extent possible.
- The maximum fee per engine family is limited to 1 percent of the retail value of the vehicle or engine. This mitigates the cost of fees for companies with low volume vehicle and engine sales.
- Although EPA does not assess fees on a "per vehicle or engine" basis, the average cost per vehicle or engine across all industries is less than \$2.00. The actual cost per unit will depend of the size of the engine family/test group.

## **Health and Environmental Impacts**

This rule implements a fees program and is expected to have no environmental impact on environmental health or safety risks that would affect the public.

### **For Additional Information:**

Materials relevant to this rulemaking, such as the cost analysis, are available on the EPA web site at [www.epa.gov/otaq/fees.htm](http://www.epa.gov/otaq/fees.htm) and through EPA's electronic public docket and comment system, EPA Dockets at [www.epa.gov/edocket/](http://www.epa.gov/edocket/). The E-docket identification number is OAR-2002-0023. (Note that the former docket number for this rulemaking was A-2001-09.)

The docket is located at the EPA Docket Center (EPA/DC), Public Reading Room, Room B102, EPA West Building, 1301 Constitution Avenue, NW, Washington, D.C. 20460. The EPA Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday. The telephone number for the Air Docket is (202) 566-1742, and by facsimile at (202) 566-1741. A reasonable fee may be charged for copying docket material.

Additional information on the fees program and fees regulations are located on the EPA Web site at:

[www.epa.gov/otaq/fees.htm](http://www.epa.gov/otaq/fees.htm)

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