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Contact:

Christina Heartquist, christina@sunstonestrategies.org, 408-661-2666

BorgWarner, Cummins, Eaton and Ford support stronger national heavy-duty pollution standards

Industry leaders support EPA's 2027 timeline and oppose off-ramp for Phase 3 heavy-duty vehicle standards

WASHINGTON (February 6, 2024) – Today, an alliance of the country's biggest names in truck manufacturing and supply, the Heavy-duty Leadership Group, released a joint "Statement of Principles" calling on the Environmental Protection Agency (EPA) to finalize a rule by March 31st to implement new greenhouse gas standards for heavy-duty commercial vehicles. The Heavy-duty Leadership Group companies, which include BorgWarner, Cummins, Eaton and Ford, called for no delay in EPA's planned MY 2027 start date, rejecting earlier proposals to delay the start of the EPA rule until MY 2030.

The Heavy-duty Leadership Group companies also emphasized the need for regulatory certainty and clear market signals, opposing a so-called "hard-wired off ramp" under which the EPA standards automatically would end or be weakened if certain infrastructure metrics were not achieved. The companies instead urged the EPA to conduct an ongoing EPA "technical assessment" of infrastructure development, battery costs, rare minerals sourcing and other critical issues.

The companies stressed they are willing to meet the challenge of investing in advanced technologies, which are necessary to make progress toward meeting new EPA Greenhouse Gas (GHG) standards. The Group's Statement of Principles emphasizes that each Heavy-duty Leadership Group company is committed to "aggressively cutting GHG emissions with near-term milestones and long-term net zero goals." The Group also stressed the need for a "whole of government approach" to partner with private industry to meet the new EPA standards. See their Statement of Principles below.

"BorgWarner is proud to be a founding member of the Heavy-duty Leadership Group supporting the transportation sector's decarbonization efforts, which is aligned with BorgWarner's vision of a clean, energy-efficient world," said **Frédéric Lissalde, President and CEO of BorgWarner**.

BorgWarner is expanding into broader eMobility products, such as battery charging stations and energy storage solutions. The company's *Charging Forward* strategy aligns with a net-zero carbon emissions future.

Originally formed in 2010, The Heavy-duty Leadership Group is an informal alliance of the nation's leading heavy-duty manufacturers and supply companies that provide solutions for the historic improvements in national greenhouse gas and fuel efficiency standards for heavy-duty engines and vehicles. The Companies credit the EPA's first two phases of the rule for accelerating the industry's adoption of advanced technologies while minimizing market disruption. Its members invite other companies aligned with its Statement of Principles to join the HDLG to support EPA in finalizing the Phase 3 rule.

"Cummins supported EPA's heavy-duty GHG Phase 1 and Phase 2 rules through the Heavy-duty Leadership Group. We are stepping up - once again - to join the group to support EPA finalizing a tough, clear and enforceable Phase 3 final rule. Phase 3 will provide the regulatory certainty needed to drive industry-wide investment to deliver our next generation of decarbonization technologies," said **Shelley Knust, Vice President of Product Compliance and Regulatory Affairs at Cummins.**

Building on the success of Phase 1 and 2 standards, these companies stand ready to put more efficient technology on the road to meet the standards currently in development. Especially electrification infrastructure that is essential to the widespread adoption of pollution-free technologies.

"As a leader in the heavy-duty vehicle industry and a company focused on managing power efficiently and sustainably, Eaton strongly supports EPA's efforts to drive decarbonization in the transportation sector," said **Scott Adams, senior vice president, Global Products, Eaton's Mobility Group.** "Eaton is prepared to support emissions reduction goals with advanced powertrain and electrified vehicle technologies that can help achieve the standards in EPA's proposed Phase 3 Heavy Duty Greenhouse Gas rule in model year 2027."

Eaton is committed to reducing Scope 1 and 2 emissions by 50% by 2030 and becoming carbon neutral.

"We're proud to join the call for clear and consistent greenhouse gas emission standards for heavy-duty vehicles. Our industry is making important progress to reduce greenhouse gas emissions in both light- and heavy-duty vehicles. We also need policymakers to pair emission standards with incentives and public investment so that we can continue to deliver on the next generation of vehicles and for our nation to lead the future of this industry," said **Cynthia Williams Global Director, Sustainability, Homologation & Compliance at Ford Motor Company**

[Ford is committed to achieving carbon neutrality no later than 2050](#) - and in Europe no later than 2035 - across Scope 1, 2 and 3, focusing on three areas that account for approximately 95% of our carbon emissions: our vehicles, operations and supply chain.

Phase 3 national heavy-duty efficiency and emissions standards apply to vehicles ranging from pickup trucks to big-rig tractors, including 18-wheelers, sanitation trucks, buses and other commercial vehicles. The standards would complement the criteria pollutant standards for MY 2027 and beyond heavy-duty vehicles that the EPA finalized in December 2022. [According to the EPA](#), the projected net benefits of the heavy-duty proposal range from \$180 billion to \$320 billion.

Heavy Duty Leadership Group

Statement of Principles on the Environmental Protection Agency Phase 3 Heavy-duty Greenhouse Gas Emissions Standards

February 2024

- 1) The HDLG Companies support EPA's ongoing efforts to achieve further de-carbonization in the transportation sector through a sound, achievable HD Phase 3 GHG rule that starts in MY 2027. The HDLG companies do not support proposals to delay the start of EPA Phase 3 HD GHG until MY 2030 or later.
- 2) Each of the HDLG Companies has made public commitments to reduce its carbon footprint by aggressively cutting GHG emissions with near-term milestones and long-term net zero goals. These corporate sustainability principles underpin our support for finalization of an EPA Phase 3 GHG rule with urgency and not later than March 31, 2024.
- 3) EPA should make a commitment in the final rule to conduct periodic Technical Assessments of a wide range of factors directly related to the pace of adoption of Zero Emission Tailpipe HD technologies, including: battery technology advancement, availability, and affordability; critical mineral sourcing and cost; deployment of an extensive and available charging/fueling network, supporting electrical grid and fuel infrastructure, and other factors.
- 4) Long-term technology-neutral regulations provide industry with the confidence to deploy capital and resources that will result in high-quality job growth and technology leadership, which are critical in the de-carbonization of the transportation sector. The HDLG companies trust EPA to consider proposing future revisions through new rulemaking, if triggered by any major changes to the factors evaluated in EPA's Technical Assessments, but the HDLG Companies are opposed to proposals for a "hard-wired off ramp" triggered by an infrastructure development or similar metric.
- 5) Multiple technology pathways exist and must be considered in a technology-neutral manner to achieve EPA's performance-based HD Phase 3 GHG standards. These solutions include hybrid powertrains; advanced engine technologies; hydrogen combustion; and electric and hydrogen zero tailpipe emission propulsion systems. To ensure technology-neutral, performance-based,

standards, EPA should make a regulatory commitment within the Phase 3 Final Rule to propose near-term technical amendments to streamline hybrid certification test procedures.

- 6) Achieving the Administration’s ambitious GHG reductions in the HD sector will require a “Whole of Government” approach involving DOE, DOT, EPA, and other Federal, state, and local government agencies working with the private sector to ensure that IRA and the Bipartisan Infrastructure Law funds are wisely invested across the U.S. economy to leverage a commercially viable HD infrastructure, which accelerates the adoption of zero-emission commercial vehicles.

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The **Heavy-duty Leadership Group** is an informal alliance of leading companies involved in trucking, whose goal is to inform and support the development of national fuel efficiency and greenhouse gas emission regulations for heavy-duty vehicles. HDLG members include:

About BorgWarner: BorgWarner designs and manufactures the systems that define the way the world moves forward. With the world’s foremost technologists, engineers and OEMs, BorgWarner is accelerating the world’s transformation to eMobility. Guided by its commitment to inclusion, integrity, excellence, responsibility and collaboration—and its pledge to reach carbon neutrality by 2035—BorgWarner is leading the automotive industry to a future that is cleaner, healthier and safer for all.

About Cummins Inc.: Cummins Inc., a global power leader, is a corporation of complementary business segments that design, manufacture, distribute and service a broad portfolio of power solutions. The company is fulfilling its mission to power a more prosperous world, not only through its next generation of fuel-agnostic ultra-low emissions engine platforms but also through its Accelera brand battery-electric powertrains, fuel cell-electric powertrains, and hydrogen electrolyzers, which are essential to a zero-carbon hydrogen fueling infrastructure.

About Eaton: Eaton is an intelligent power management company dedicated to protecting the environment and improving the quality of life for people everywhere. We make products for the data center, utility, industrial, commercial, machine building, residential, aerospace and mobility markets. We are guided by our commitment to do business right, to operate sustainably and to help our customers manage power – today and well into the future. By capitalizing on the global growth trends of electrification and digitalization, we’re accelerating the planet’s transition to renewable energy sources, helping to solve the world’s most urgent power management challenges, and building a more sustainable society for people today and generations to come.

About Ford Motor Company: Ford Motor Company (NYSE: F) is a global company based in Dearborn, Michigan, committed to helping build a better world, where every person is free to move and pursue their dreams. The company’s Ford+ plan for growth and value creation combines existing strengths, new capabilities and always-on relationships with customers to

enrich experiences for customers and deepen their loyalty. Ford develops and delivers innovative, must-have Ford trucks, sport utility vehicles, commercial vans and cars and Lincoln luxury vehicles, along with connected services. The company does that through three customer-centered business segments: Ford Blue, engineering iconic gas-powered and hybrid vehicles; Ford Model e, inventing breakthrough EVs along with embedded software that defines exceptional digital experiences for all customers; and Ford Pro, helping commercial customers transform and expand their businesses with vehicles and services tailored to their needs. Additionally, Ford is pursuing mobility solutions through Ford Next, and provides financial services through Ford Motor Credit Company. Ford employs about 177,000 people worldwide. More information about the company and its products and services is available at corporate.ford.com.