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## **Navistar Gets to Pay Penalties for Emissions Noncompliance, EPA Rules**

*By Oliver B. Patton, Washington Editor*

The Environmental Protection Agency will allow Navistar International to pay penalties on engines that do not meet clean air standards. The rule, which has not yet been published, sets a maximum penalty of about \$3,800 per engine, the agency said last night.

The decision clears the way for Navistar to continue selling heavy-duty engines that do not meet standards for nitrogen oxide emissions -- but the amount is a near-doubling from the \$1,919 fines Navistar had been paying for each engine.

Navistar has said it needs the relief to keep selling engines that use an exhaust gas recirculation technology that has not yet been able to bring the engines into compliance with clean air requirements.

This is the second EPA decision on the matter, and it was required because Navistar's competitors objected to the first decision.

Last May the agency said it would allow Navistar to pay the penalties. Normally such a decision would require a formal notice, but the agency invoked a "good cause" exception that allowed it to grant the penalties without going through the regulatory process.

But competing engine manufacturers objected to EPA's approach, and won a court order that said the agency should not have allowed the penalties without going through the process.

That order led to this final rule.

Meanwhile, Navistar has announced that it will start using the urea-based aftertreatment technology, selective catalytic reduction, that the other engine manufacturers use to meet clean air standards.

EPA said yesterday that it expects the penalties to be used for a relatively small number of engines. It also said that the rule does not apply any penalties for truck manufacturers, dealers, purchasers or operators who use the engines.

Troy Clarke, Navistar president and COO, said in a statement that the company is pleased by EPA's move.

"We can now provide our dealers and customers with clarity and certainty as we transition to our clean engine technology and look forward to utilizing the Final Rule as needed," Clarke said.

He added that implementation of the final rule will have no impact on the trucks EPA certified earlier under the interim rule.