

United States of America

Environmental Protection Agency

National Highway Traffic Safety Administration

**Greenhouse Gas Emission and Fuel
Efficiency Standards for Medium-Duty and
Heavy-Duty Engines and Vehicles – Phase 2;
Proposed Rules.**)
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)

Docket I.D. Nos.:
EPA-HQ-OAR-2014-0827
and
NHTSA-2014-0132

SUPPLEMENTAL COMMENTS OF THE VOLVO GROUP
concerning
GLIDER VEHICLES

May 26, 2016

The Volvo Group respectfully submits the following supplemental comments on the proposed rule, *Greenhouse Gas Emission Standards and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles*, 80 FR 40138 (July 13, 2015).

The Volvo Group's October 1, 2015 comments¹ to the Notice of Proposed Rulemaking included expression of our support for EPA's intentions to regulate the glider vehicle industry. Our comments reflected EPA's analysis of the enormous impact glider vehicles have on the environment:

"EPA's own analysis as detailed in their recent glider Q&A document² indicates that NOx and PM emissions from glider vehicles at current sales levels are equivalent to about 80 percent of the total NOx and PM emissions from the *entire* Class 8 sales fleet."

Moreover, assemblers of glider vehicles are clearly in violation of NHTSA safety requirements for new vehicles, as also expressed in our NPRM comments:

"It appears, however, that they [glider vehicle assemblers] are not meeting all of these requirements, including full vehicle certification, safety defect reporting obligations, and reporting of vehicle VINs for purposes of potential safety recall obligations. This practice is putting the safety of America's roadways at risk and must be addressed."

The Volvo Group continues to offer full support for EPA's and NHTSA's efforts to reform the glider vehicle market. The availability of these vehicles is creating an unlevel playing field for manufacturers of new vehicles designed and certified to be compliant to all current emissions, fuel efficiency, and safety regulations. Manufacturers of fully compliant new vehicles have made huge investments to develop and certify their products to all current requirements, and incur tens of thousands of dollars in component costs on every vehicle built to ensure long term compliance. Obviously, this puts these manufacturers' compliant vehicles at a competitive disadvantage to less-expensive glider vehicles. It's not difficult to understand, therefore, why the glider vehicle market is expanding so rapidly. In fact, at the time the Volvo Group submitted our NPRM comments, we grossly underestimated the size of the glider vehicle market. The largest (according to Volvo's understanding) assembler of glider vehicles reported in their comments to the NPRM that:

"Gliders as a whole represent over 10,000 units annually."³

At the 2015 Mid-America Truck Show in Louisville, KY, company representatives at this glider assembler's display reported that they alone were planning to assemble 5,000 units in 2015, with plans for facilities expansion to increase production to meet demand. The company now operates at least one 110,000 square-foot facility dedicated to manufacturing trucks from glider kits.

¹ Reference, Volvo Group Comments

² Frequently Asked Questions about Heavy-Duty "Glider Vehicles" and "Glider Kits", EPA-420-F-15-904, July 2015

³ EPA-HQ-OAR-2014-0827-1964.

Below are some marketing materials they published in a popular trade magazine⁴, clearly and accurately identifying the products they produce as *new vehicles*:



GLIDER KITS REDEFINED



I set out as a family owned/operated company almost 30 years ago to change the Glider Kit market. Long before the Glider Kit business took off, the family had a trucking company and a service shop of their own that would eventually lead them to where they are today. "We built our first glider kit over 25 years ago. Over time, the industry has developed a real need for more trucks with less complex engines. Some years later, we decided to shift our focus solely on glider kits", said [redacted]

Today the company is still very much a family business, he added "We really enjoy what we do and are passionate about our work. Everyone here is not just our family. We all work hard for the same goal, and at the end of the day its something we can all be proud of. I believe that this has more to do with our success than anything else."

Today, they are the largest Glider Kit assembler in North America. By providing customers with a wide range of popular brands like Peterbilt, Freightliner, Kenworth, and Western Star, they have single handedly changed the industry's view of Glider Kits over the past 10 years. In addition to offering the different brands, they also have a limited number of special edition trucks like the Peterbilt Pride and Class 389 and the Kenworth Icon 900.

[redacted] offers customers the option to purchase a brand new 2016 tractor, in any configuration offered by the manufacturer. Next comes the option of several pre emission engines to choose from. The Detroit 12.7 liter 60 series motor has been their flagship engine for a long time running. Along with the optional 5-year/500k mile warranty, the dependability and serviceability of this engine make it very appealing to people looking for Gliders. Just like the different models of trucks, some people desire different engine options. That's why [redacted]

[redacted] also offers customers a factory reman Cummins N14, a reman CAT C15 engine from Thompson CAT.

Every engine is accompanied by the choice of a 10, 13, or 18 speed Eaton Fuller Factory Reman Transmission.

"When it comes to purchasing a glider kit, we offer more options than anyone else. We have three different engine combinations, and multiple warranty options to go with them. Because of our buying power, we have more trucks on the ground than anyone else in the glider market", said [redacted]

Even being the leaders in the industry, they still occasionally get asked the very basic question, "What is a Glider Kit"? Luckily, the answer to that question is incredibly simple. A Glider Kit is a brand new truck from the manufacturer without an engine and transmission. All interior, rear ends, and braking systems are pre-installed before they receive the unit.

[redacted] has mastered the process of taking the 'Glider Kit' and installing the components to work seamlessly with the new truck. The end result is a brand new glider, with an engine and transmission that has been completely rebuilt from the ground up. Couple that with a Nationwide Warranty, and you can see why they are leading the market place for glider kits.

For many fleets and owner operators, a Glider Kit offers them a different option to consider when looking to purchase a new truck. Because of the older model engines, you have more options when it comes to servicing the unit. Built with parts that are easily accessed across the nation, and generally have a much lower upfront price, the total cost of ownership and operation is considerably less than a brand new truck.

How does [redacted] stand behind their product? Today, they are the only company to offer a full Nationwide Warranty, which allows their trucks to be serviced at independent

⁴ *OverDrive*, Randall & Reilly, December 2015



shops as well as dealerships. Thus, giving their customers more options for service in case of a problem on the road. "We have been working very hard to build a larger Preferred Service Center Network for our customers. These service centers have agreements, which are held to a higher standard of service for our customers. We are continuing to build this network on a daily basis", said [redacted] who heads the warranty department at [redacted]

Over the past year, [redacted] has really expanded their operation. They've opened up a brand new plant close to their primary facility in [redacted]. In the past few years, due to high demand, the average wait time to get a truck was around 6 weeks. Because of the increased production capabilities, they've managed to cut that time down by almost half. "Approaching the fourth quarter this year, we wanted to make sure we had trucks available for customers looking for year end expenditures. We currently have over 100 trucks built right now, and available for immediate delivery. It's been a very exciting year for [redacted]."

"I'm very pleased with how we have been able to grow and most importantly, improve the quality of not only our Glider Kits but also our customer service across the board", said [redacted] VP of Operations.

Looking forward, [redacted] is projecting more aggressive growth in 2016. Currently, they are averaging 80-90 completed trucks a week. The projected growth will be possible by splitting the workload between facilities. All Freightliner and Western Star Gliders are now being assembled in their new [redacted] facility while the Peterbilt and Kenworth Gliders are still being assembled in [redacted]. In total, [redacted] employs around 350 people at the two plants and [redacted], where they install the large majority of accessories, as well as a full service center.

For more information, visit [redacted] or call: [redacted]



Also exhibiting glider vehicles at the 2015 Mid-America Truck Show was another glider assembler which has three midwest locations, and touts annual sales of 1,200 per year.

A third such company also supplied the following brochure at the 2016 Mid America Truck Show, offering "Custom Built Gliders"... "in almost any configuration you can think of." They offer a wide array of engine and transmission options, and even offer a new Allison transmission in their customized glider vehicles.

Our driveshafts are made exclusively by Cresson Ridge Diesel Garage, using all heavy wall .259 tubing and can be spun balanced upon request!



To date, we have built over 400 gliders including Peterbilts, Western Stars, Freightliners, and Kenworths, in almost any configuration you can think of. Let us build a customized truck for you the way you want it!



is a full service diesel garage. Some of the services we provide include custom tarpers, lift axle installations, enhanced inspections, fabrication shop, Quicksilver bed liners, body installations, complete wet line systems, and more. In addition, we also own, operate, and maintain a fleet of 17 trucks, 9 of which are gliders that we built ourselves (6 triaxle dump trucks, and 3 tractors.) Therefore, we know that a well built truck goes a long way when it comes to minimizing unwanted down time. We see on a day to day basis, on our own trucks, any faults in our craftsmanship and immediately make changes on current builds to prevent any future issues. Since building our first glider in 2009, we have continuously made small adjustments in our assembly process. We have first-hand knowledge of where rerouting and protecting wiring and hoses is essential to a quality, well built product. You can feel confident knowing that we've seen it and fixed it so you don't have to!



Custom Built Gliders



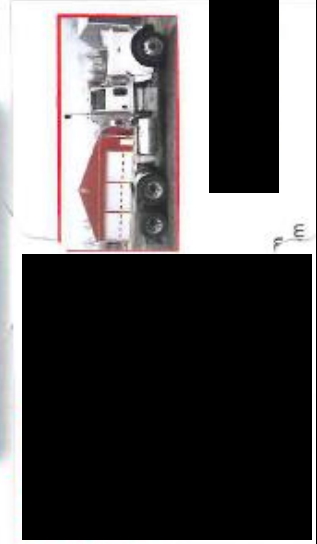
We offer complete glider builds with any engine of your choice, including Cummins N14 Celec Plus, ISX, ISM, Cat C15, 3406E (70 or 40 pin), C13, and C12's, as well as Detroit Series 60 Engines. We currently maintain a warehouse full of Cat reman C2A engines, with **4 year, 400,000 mile warranty,** or *optional* **5 year, 500,000 mile warranty!**



We also offer any transmission of your choice including:
 RTO16908LL, RTO16915
 FRO18210C, RTLO18913A,
 RTLO18918B, RTLO20918B



Or choose a factory **Allison Retran 4500 RDS** automatic transmission, with or without an integral oil cooler.



Another option available is for us to remove the components from your old truck and build your glider using your components, from the engine to the rears.



We will also build your glider with any exhaust of your choice from factory Peterbilt exhaust, to any custom exhaust you choose!



Also having a prominent display at the 2016 Mid-America Truck Show was yet another glider assembler whose brochure walks a prospective customer through the simple steps to order a custom glider vehicle with a choice of transmissions.

GLIDER KIT TRUCKS
FROM [REDACTED]

If you've ever wanted a truck tailored to your needs but didn't want to deal with the hassle of finding all of the parts, getting quotes, and building an engine, now is your chance to have it hassle-free. With your guidance, we take care of the whole project and assemble a turn-key truck*.

STEP 1 - Choose your favorite chassis model
STEP 2 - Install a 550hp single turbo Cat® C15 engine
STEP 3 - Choose a 10, 13, or 18 speed transmission
STEP 4 - Choose your accessories
STEP 5 - Assembly

* Glider Kits include 4-year unlimited Extended Service Coverage on engine, clutch and transmission, with towing

Call or click today
[REDACTED]



These brochures are clear evidence of the practice of building new vehicles with refurbished engines, transmissions and rear axles, sometimes having one or two of those components offered new from the component manufacturer's factory. Clearly we are not witnessing here the legitimate use of a glider kit to recover a wrecked or otherwise worn out vehicle while recovering 2 of 3 driveline components from that vehicle, as required by 49 CFR §571.7 if the vehicle is to be legally declared as non-new. One of the above mentioned glider vehicle assemblers made it very clear they were soliciting engines to be installed into glider vehicles as represented in this poster displayed at the 2016 Mid-America Truck Show:

WANTED
DEAD OR ALIVE

**USED CAT[®]
TRUCK ENGINES**

We're lookin' to buy **Cat 3406E**
and **C-12** truck engines,
2002 and earlier,
working or
non-working



Contact "Sheriff" [REDACTED]
or "Deputy" [REDACTED]

[REDACTED]

The Volvo Group appreciates the aggressive and necessary actions that EPA and NHTSA are taking to reform the glider vehicle industry. It's imperative that the environmental damage caused by these vehicles is greatly curtailed or eliminated, and the competitive playing field leveled, as soon as possible. We encourage the Agencies to maintain or advance the 2018 effective date to require engines compliant to current emissions standards. We further encourage EPA to reduce or, at a minimum maintain, the 300 unit production cap in the final action by the Agencies.