

Testimony of

Steve Page, President & General Manager
Sonoma Raceway

before the

Subcommittee on Environment
House Committee on Energy & Commerce

on

September 13, 2017

Introduction

Chairman Shimkus, Ranking Member Tonko, and members of the Subcommittee, I appreciate the opportunity to speak today about H.R. 350, the “Recognizing the Protection of Motorsports Act of 2017.” The so-called “RPM Act” confirms that the Clean Air Act allows for certified motor vehicles to be modified into race vehicles used solely for motorsports competition.

My name is Steve Page, and I am President and General Manager of Sonoma Speedway in Sonoma, California. It is a pleasure to be with you today. I look forward to providing some perspective on operating a race track and the important role Congress can play in providing long-term stability to amateur and sportsman racers, fans, and the many small businesses connected to motorsports in the U.S.

Background on Sonoma Raceway

While Sonoma, California is viewed as a mecca for wine connoisseurs, Sonoma Raceway is known as a premier venue within the racing community. The facility is located on approximately 1,600 acres and consists of a 2.52-mile, twelve-turn natural terrain road course, a 1/4-mile championship drag strip, a 3/4-mile karting track, paddock and asphalt skid pads, an industrial park that is home to 75 racing businesses, a performance racing school, acres of campgrounds, and a variety of support facilities.

Sonoma Raceway offers one of the most diverse racing schedules in the industry. In fact, we are the only track in the U.S. to host the nation’s top three professional racing series: the Monster Energy NASCAR Cup Series, the NHRA Mello Yello Drag Racing Series, and the Verizon IndyCar Series.

While major events garner much of the racing community’s attention at a national level, the facility is a year-round motorsport complex with events scheduled 340 days and 50 weekends a year. Many of these days include anywhere from two to four events occurring simultaneously. In fact, most of the activity at Sonoma Raceway consists of participant driving programs—sports car and vintage racing, drag racing, motorcycle racing, testing and other activities involving the recreational motor racing community.

While the professional racing scene is seasonal, amateur racing is year-round. In fact, most of the activity at Sonoma Raceway consists of participant driving programs—sports car and vintage racing, drag racing, motorcycle racing, testing and other activities involving the recreational motor racing community. Nearly all of the top national and regional amateur racing organizations spend time on our track. Some of these activities involve purpose-built race cars, others involve unmodified street cars, but the majority of the vehicles competing on our track on any given day began their lives as production automobiles and have been modified with high performance suspension, safety and exhaust systems. These are cars that have given up their license plates and they arrive and depart our facility on trailers.

The 75 small businesses located in our industrial park are where many of these vehicles are converted, modified, stored, prepared for events and fixed when they break. Those businesses

employ hundreds of skilled technicians and they in turn support a range of high-performance parts and components manufacturers and distributors whose products are delivered to our facility on a daily basis. Although racing is a hobby for our spectators and many of the drivers as well, Sonoma Raceway is an economic small business driver in the region. Sonoma Raceway itself employs about 80 full-time workers and, including the tenants in our industrial park, there are 300-400 people who come to work at the raceway every day. During large events, staffing numbers can balloon as high as 2,000-2,500 workers.

Racing's footprint on the local economy also extends well beyond our campus. The Sonoma County Economic Development Board measured the regional economic impact of a vintage race weekend at our facility in last Spring at nearly \$2 million. This is the kind of activity that takes place at Sonoma Raceway on a regular basis. Our marquee events like NASCAR or IndyCar fill up hotel rooms and restaurants for 30 miles in every direction with spectators, drivers, race teams, support staff, sponsors, and race officials. Since many of the sponsors activate promotional programs in every market in which a race takes place, race teams often use various events to entertain their sponsors and their guests. The same is true at hundreds of other motorsports race venues around the country.

Background on Production Vehicle Racing

Racing is an integral part of our American automotive heritage that dates back to the late 1800s. For purposes of today's hearing, my testimony is focused on stock car racing, whereby a production vehicle designed for general transportation is modified into a dedicated racecar.

Automobile racing's origin is likely tied to the prohibition era, as bootleggers competed against each other when they weren't otherwise outrunning law enforcement. Formal rules governing fair competition emerged after World War II and racing quickly became a beloved past-time for participants and spectators alike. The National Association of Stock Car Auto Racing (NASCAR) was formed in December 1947, with the first sanctioned event in Daytona Beach commencing less than two months later.

While most people associate stock car racing with NASCAR, the majority of racers compete at local racetracks around the country in amateur and sportsman classes of racing. Tens of thousands of amateur and grassroots level professional racers compete in converted street vehicles, including cars, motorcycles, and trucks that undergo varying levels of modifications before they are ready for competition.

A number of NHRA's (National Hot Rod Association) racing classes are also designed for sportsmen competing in converted street vehicles. NHRA was founded in part as a means of getting hot rodders to race at drag strips instead of on the roads and highways. This effort was an undisputed success, as more than 40,000 licensed competitors are currently affiliated with NHRA.

It is also important to note that hundreds of American companies employing tens of thousands of American workers create innovative products to make race cars and motorcycles perform better. These products cover a broad spectrum, from improving fuel-efficiency, suspension and

aerodynamics to increasing power output and incorporating advanced composite materials. Once fully-outfitted, these race vehicles bear little resemblance to their time in the show room. From roll-cages, netting, a safety harness, and an interior that is void of most standard features, race vehicles that are converted from automobiles are easily distinguishable.

EPA's Draft Rule and Interpretation Adversely Impact Racing

While many classes of racing at oval, road, track and off-road racetracks feature motor vehicles that were originally designed and sold for street use, in July 2015 the EPA issued a proposed regulation to make illegal the act of converting a motor vehicle into a race vehicle. To accomplish this prohibition, EPA set forth a new interpretation of the Act. EPA stated that if a motor vehicle has been certified for emissions compliance, there is no exemption from the law's tampering prohibitions that would allow for converting it for competition use. The EPA's 2015 position rendered illegal the majority of future and current race cars and motorcycles that compete at tracks around the country, since it applies retroactively to all vehicles subject to the law which was enacted in 1970.

The racing community was first made aware of this provision in early 2016. It had been included within a large and unrelated rulemaking for greenhouse gas emissions from trucks and buses. As someone who has worked in racing for over 25 years, I can attest that I have never seen a greater threat posed to the sport. News of this change spread quickly and sparked fear among racing enthusiasts, our employees and all businesses connected to motorsports. Despite the EPA's decision to remove the race vehicle conversion provision from the final rulemaking, the issue is still unresolved for the racing community. The agency stood by its position that the Clean Air Act does not provide a legal means for modifying a motor vehicle's emissions system when converting it into a dedicated race vehicle. This interpretation is inconsistent with the EPA's application of the law for as long as I have been in the industry.

While the EPA has signaled that it does not currently plan to bring enforcement actions against racers who compete in emissions-modified vehicles, the agency maintains that it has the authority to do so. It is important to note that racers make substantial investments in their vehicles, outfitting them with products that improve their safety and performance. For race tracks and motorsports parts businesses, the need for a solution to this problem is also critical. Parts manufacturers and the businesses that sell these products remain under threat of significant civil penalties. I find it very concerning that this interpretation considers them to be breaking the law.

While the EPA may not be penalizing racing in the short-term, an enforcement freeze is not a long-term solution. Accordingly, the world of motorsports requires certainty in federal law that what they are doing is legal, just as it always had been prior to 2015.

The RPM Act

The practice of converting a motor vehicle into a dedicated race vehicle had been unquestioned from 1970 to 2015. The "RPM Act," makes clear that making such a conversion does not violate the law. The legislation provides assurances to business that produce, sell, and install race parts

on vehicles used solely for motorsports competition. Further, it restores the original intent of the Clean Air Act, that the law applies to motor vehicles used on our roads and highways but not to race vehicles and racing parts. This bipartisan bill was introduced by Rep. Patrick McHenry and has 139 House cosponsors including Subcommittee members Richard Hudson (an original cosponsor), Buddy Carter, Bill Johnson, Tim Murphy and Tim Walberg.

As one of the 70 racetracks in California, we are also anxious for the clarity the “RPM Act” would provide, establishing congruence with California statute and the approach taken by the California Air Resources Board (CARB), which allow for motor vehicles to be modified for use exclusively in motorsports competition.

Conclusion

On behalf of Sonoma Raceway, our employees, drivers, and the dozens of small businesses that populate our industrial park, I strongly support the “RPM Act” and ask the Subcommittee to consider the important role that racetracks and motorsports parts businesses play in our economy when reviewing this legislation.

Thank you again for this opportunity to address the Subcommittee. I look forward to answering any questions you may have.



September 18, 2017

Dear Chairman Shimkus, Ranking Member Tonko and members of the Environment Subcommittee:

Thank you for allowing me the opportunity to testify on behalf of H.R. 350, the "Recognizing the Protection of Motorsports Act of 2017" (RPM Act), at the above-referenced hearing. I am submitting supplemental comments for the official record to refute a contention raised during the hearing, that H.R. 350 would create a loophole which would prevent the EPA from enforcing against illegal products that take motor vehicles used on public roadways out-of-compliance with the Clean Air Act (CAA).

H.R. 350 was specifically drafted with a very limited scope. The legislation simply clarifies that CAA Section 203(a)(3), which covers tampering, does not apply to street vehicles converted into race vehicles used only at the track. Additionally, the conversion process itself is not an act of tampering. H.R. 350 makes no changes to Section 203(a)(3) regarding the EPA's ability to enforce against products sold or installed on motor vehicles operated on public roadways that take the vehicle out-of-compliance. This is and would remain an act of tampering.

The bill is not seeking to create any "loopholes" on the issue of tampering and EPA enforcement, as was suggested in testimony by a representative from the Sierra Club. Rather, the legislation simply returns application of the CAA to how it had been interpreted between 1970 and 2015, that the law applies to street vehicles but not race vehicles, including converted highway vehicles. H.R. 350 provides no protection to persons who market or install products on street vehicles while claiming the product was sold for "race use only." Sales of products that take a highway vehicle out-of-compliance are acts of tampering subject to EPA enforcement. I heartily endorse this enforcement authority.

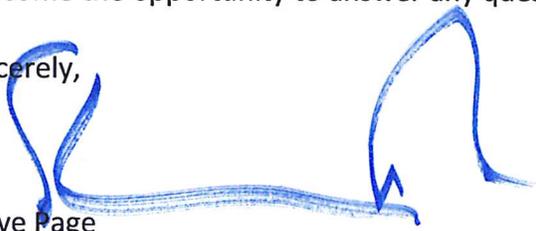
As noted on several occasions at the hearing, the state of California takes a different approach on this topic. Under California law, racing vehicles are exempt from regulation. See Cal Health & Saf Code § 39048 and § 43001. Regulators have also defined the term to only apply to vehicles used exclusively for racing, which exhibit racing features (ex: roll-cages, netting, a safety harness, etc.), and are no longer licensed. See 13 CCR 2260. Companies are specifically directed to label products with a disclaimer (ex: for racing use only) to help ensure proper use.

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Enactment of H.R. 350 would make the federal and California laws consistent. It would also remove confusion from the marketplace on how the Clean Air Act applies to companies that market racing products and individuals who install such products. Nevertheless, the EPA would retain its ability to enforce against any and all misuse.

Thank you again for this opportunity to supplement my September 13, 2017 comments. I welcome the opportunity to answer any questions you may have.

Sincerely,



Steve Page
President & General Manager