Congress of the United States

House of Representatives

Washington, D.C. 20515

October 5, 2017

The Honorable Scott Pruitt
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, D.C. 20460

Re: Docket ID No EPA-HQ-OAR-2015-0827

Dear Administrator Pruitt:

We appreciate the opportunity to comment on the "Reconsideration of Final Determination of Mid-term Evaluation of Greenhouse Gas Emissions Standards for Model Year 2022-2025 Light-duty Vehicles; Model Year 2021 Greenhouse Gas Emissions Standards."

Strong greenhouse gas emissions standards for new light-duty vehicles save consumers money at the pump while reducing carbon pollution and America's dependence on oil. For the reasons explained in these comments and based on the existing and robust public record, we see no justifiable outcome other than EPA reaffirming its initial determination.

EPA's Initial Determination

As part of its 2012 rulemaking regarding light-duty greenhouse gas emissions, EPA committed to conduct a formal three-step review of the standards it had set for years 2022-2025. EPA has properly completed all three steps; it issued the July 2016 Draft Technical Assessment Report (TAR) and sought public comment; made a proposed determination in November 2016 and sought public comment; and made a final determination prior to April 2018. Despite the complete and exhaustive record, Administrator Pruitt has decided to reconsider the January final determination.

EPA's mid-term evaluation of greenhouse gas standards for Model Year 2022-2025 light-duty vehicles sought to determine whether the EPA, the National Highway Traffic Safety Administration (NHTSA), and the California Air Resources Board (CARB) made assumptions about technology development and costs in 2012 that were still accurate and reasonable.

EPA built an extensive public record on the appropriateness of greenhouse gas standards for Model Year 2022-2025 light-duty vehicles. Along with the NHTSA and the CARB, EPA issued the July 2016 Draft TAR and sought public comment. Over 200,000 comments were filed. EPA also sought public comment on the Proposed Determination that the greenhouse gas standards for Model Year 2022-2025 vehicles remain appropriate. Over 100,000 comments were filed.

The technical assessment and ensuing comments provide a robust and conclusive record. Greenhouse gas standards are feasible and can be met at lower costs than originally estimated. EPA's current estimate is an average per vehicle cost of $875 to meet these standards.[1] This estimate is lower than the 2012 estimate of $1,100 per vehicle.[2] EPA found the higher, initial cost estimate reasonable in the 2012 rule.

EPA also determined that compliance can be achieved through a number of different technology pathways, many of which are already commercially available. This ensures manufacturers' will have flexibility in meeting the standards.

The EPA's determination was consistent with the findings from the June 2015 National Academy of Sciences report, "Cost, Effectiveness and Deployment of Fuel Economy Technologies for Light-Duty Vehicles," which found automakers can meet the standards predominantly with advanced gasoline engines and transmissions.[3]

EPA's regulations establish April 1, 2018 as the latest date for a determination, but by no means is the Administrator prohibited from making a determination sooner. Given the extensive record available in January 2017, it was clear that these standards were achievable and appropriate then, just as they are in October 2017. Furthermore, by making this determination early, EPA provided manufacturers with regulatory certainty and stability, allowing a sufficient planning horizon for them to meet the standards.

EPA rightly determined in January that the standards currently in place for Model Year 2022-2025 vehicles are achievable and appropriate. That determination should be reaffirmed promptly.

Reducing Carbon Pollution is Key to Public Health

Light-duty vehicle greenhouse gas standards are essential to address the growing threat of climate change. We have experienced 15 of the 16 warmest years on record since 2000. Our nation continues to see the impacts of climate change in the form of sea level rise and extreme weather events. Reducing carbon and other greenhouse gas pollutants is the only way to slow the pace of this change and to mitigate its future risks.

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[1] U.S. Environmental Protection Agency, *Final Determination on the Appropriateness of the Model Year 2022-2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation*, p. 20; EPA-420-R-17-001 (Jan. 2017).

[2] *Id.*

[3] National Academy of Sciences, Board on Energy and Environmental Systems, *Cost, Effectiveness and Deployment of Fuel Economy Technologies for Light-Duty Vehicles* (Jun. 2015).

According to the EPA's "Inventory of U.S. Greenhouse Gas Emissions and Sinks, 1990-2015," light-duty vehicles are significant contributors to greenhouse gas emissions in the United States. These vehicles accounted for 59.9 percent of U.S. transportation emissions and approximately 16.5 percent of total domestic emissions in 2015. No serious effort to reduce emissions and act on climate change can ignore emissions from light-duty vehicles.

EPA projects that the Model Year 2022-2025 standards will reduce emissions by more than 230 million metric tons by 2050, and nearly 540 million metric tons over the lifetime of Model Year 2022-2025 vehicles.[4]

Carbon dioxide is not the only vehicle emission of concern. Vehicle emissions also contain fine particulate matter, nitrogen oxides, and other volatile organic carbon compounds. Reducing these emissions from mobile sources will assist states in achieving compliance with health-based standards for these other air pollutants. These pollutants can cause skin and eye irritations and trigger allergic reactions. In addition, vehicle emissions can lead to respiratory and heart problems and exacerbates asthma in children.[5] Reducing carbon pollution will also reduce these other harmful air pollutants, improving overall air quality and public health.

Energy Security and International Competition

The federal government's policies should promote energy security by reducing our dependence on oil. Strong Model Year 2022-2025 standards are an essential component of this effort. Simply put, reducing greenhouse gases increases energy efficiency leading to less demand for foreign oil.[6]

Light-duty vehicles are part of a global industry. Producing vehicles that are more fuel efficient and less polluting ensures that U.S. manufacturers will be competitive in international vehicle markets. Other nations are moving forward with tighter vehicle emission controls and have fuel markets with higher fuel prices than the U.S. market. Vehicles manufactured to meet these greenhouse gas standards will help U.S. manufacturers to maintain leadership in this global industry. For example, most recently, China added itself to the list of countries such as France and Britain that have a plan to ban the sale of gasoline and diesel-powered cars.[7]

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[4] *Id.*, p. 24.

[5] The Health Effects Institute, *Traffic-Related Air Pollution: A Critical Review of the Literature on Emissions, Exposure, and Health Effects – Executive Summary* (Jan. 2010) (www.healtheffects.org/system/files/SR17TrafficReview_Exec_Summary.pdf).

[6] Alliance to Save Energy, *National Security: Energy Efficiency Improves Mission Readiness While Reducing Demand for Foreign* Oil (Feb. 9, 2017) (www.ase.org/resources/national-security-energy-efficiency-improves-mission-readiness-while-reducing-demand).

[7] *G.M. Chief, in China, Challenges Planned Bans of Gasoline Cars*, The New York Times (Sept. 15, 2017) (www.nytimes.com/2017/09/15/business/gm-china-ceo-

Consumer Benefits

Consumers experience direct benefits from improved fuel efficiency. That is why fuel economy continues to be a popular and important consideration for Americans shopping for a new vehicle. Over the lifetime of Model Year 2022-2025 vehicles, these standards are projected to reduce oil consumption by 50 billion gallons. This reduction in oil translates directly to consumer savings in fuel purchases. Consumers are estimated to save nearly $92 billion in fuel costs over the lifetime of these vehicles.

EPA has estimated that consumers would realize a net savings of $1,650 after taking into consideration increased upfront vehicle costs. Even under a scenario with an unrealistically low price of gasoline, the lifetime fuel savings would outweigh increased costs. Changes in vehicle technologies and amenities over time have increased the average price of a vehicle. But, improved fuel efficiency is the only vehicle improvement that pays for itself by reducing vehicle operating costs.

These savings are particularly critical for low- and middle-income households. Even for those families that rely on purchases of used cars, improvements in fuel efficiency result in aftermarket vehicles that are less expensive to operate, saving these families significant fuel costs.

Any weakening of Model Year 2022-2025 standards will undermine substantial benefits for consumers. The program's structure enables automakers to reach these standards while continuing to produce a variety of vehicle models that include other popular features demanded by consumers.

Innovation by the Auto Industry

Automakers have a long history of innovating to improve emissions reductions while providing a wide range of options to meet consumers' demands.

Numerous comments to the TAR and Proposed Determination outlined a number of technologies that reduce greenhouse gas emissions that are commercially available. There are also several other well-known technologies that are under development and will very likely provide alternative, cost-effective pathways towards meeting these standards. Despite the likelihood of these technologies becoming available in the near future, EPA did not consider them when determining the appropriateness of the Model Year 2022-2025 standards.

This continues a long trend in underestimating the potential for efficiency gains. In September 2016, in a joint hearing before the U.S. House of Representatives Energy and Commerce Committee Subcommittee on Digital Commerce and Consumer Protection and Subcommittee on Energy and Power, John German of the International Council on Clean Transportation testified,

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gasoline.html?hpw&rref=automobiles&action=click&pgtype=Homepage&module=well-region&region=bottom-well&WT.nav=bottom-well).

"During the course of my 40-year career, initial cost estimates for complying with emissions and efficiency requirements have consistently been overstated. Not some of the time, or even most of the time, but all of the time."[8]

The evidence is clear that technology adoption rates have occurred more quickly than EPA's initial expectation. At that same hearing, former EPA Acting Assistant Administrator Janet McCabe testified that there are more than 100 individual Model Year 2016 vehicle versions already meeting Model Year 2020 standards or later.

Furthermore, the standards were designed to give automakers significant flexibility. Manufacturers are not forced into a single compliance path. Each manufacturer has its own fleet-wide standard that reflects the vehicles it produces to meet its customers' demands.

We have no doubt that American ingenuity is up to the task of meeting these standards. Many vehicles have already achieved standards for many years into the future. As automakers continue to innovate, it is clear that multiple technology pathways will allow them to achieve existing Model Year 2022-2025 standards, particularly given the flexibility in the program.

Conclusion

EPA's record clearly establishes that it is feasible for automakers to meet the Model Year 2022-2025 standards at reasonable cost. These standards will result in a significant reduction in carbon pollution while providing significant savings for consumers and public health benefits for everyone.

Continuing to reconsider this determination will unduly delay the deployment of new technology and undermine the certainty needed by the industry.

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[8] House Committee on Energy and Commerce, *Hearing on Midterm Review and Update on the Corporate Average Fuel Economy Program and Greenhouse Gas Emissions Standards for Motor Vehicles*; Written Statement of John German, Senior Fellow, International Council on Clean Transportation, 114th Cong. (Sept. 22 2016) (docs.house.gov/meetings/IF/IF17/20160922/105350/HHRG-114-IF17-Wstate-GermanJ-20160922.pdf).

We strongly urge you to reaffirm EPA's initial determination that greenhouse gas emissions standards for Model Year 2022-2025 light-duty vehicles are appropriate and achievable and to move forward to finalize their implementation unchanged.

Sincerely,

Paul D. Tonko
Ranking Member
Subcommittee on Environment
Committee on Energy and Commerce

Jan Schakowsky
Ranking Member
Subcommittee on Digital Commerce
and Consumer Protection
Committee on Energy and Commerce