



**ASSOCIATION OF INTERNATIONAL AUTOMOBILE MANUFACTURERS  
PROPOSALS FOR THE OBAMA ADMINISTRATION ENVIRONMENTAL PROTECTION AGENCY**

**December 10, 2008**

**Greenhouse Gas Regulation/Fuel Economy**

- **The common goal of all stakeholders is maximum feasible reduction of GHG emissions from motor vehicles and a coordinated approach and solution is possible.**
  - It is critical going forward that all stakeholders work together to establish one nationally consistent program for improving light vehicle energy efficiency and reducing GHG emissions.
  - The program should provide as much flexibility as possible to allow manufacturers to decide how they can best achieve the GHG emissions reductions.
  - To achieve this will require a meeting of all stakeholders---EPA, NHTSA, California, other Section 177 states, AIAM, the Alliance, and the key environmental organizations.
  - The Obama EPA should schedule such a summit as soon as possible after January 20 to see if a negotiated solution can be achieved and the related litigation resolved so that all of our energies and resources can be directed at GHG emissions reduction.
- **A single national standard to reduce GHG emissions and increase fuel economy is the best way to immediately address the reduction of GHG emissions from motor vehicles.**
  - One national GHG emissions/fuel economy standard or program for on-road light duty vehicles established and implemented by the federal government is the most effective and efficient way to maximize emissions reductions and minimize economic harm to the industry and consumers.
  - Over 90 percent of the GHG emissions from today's motor vehicles are carbon dioxide and the primary way to reduce these emissions is to improve fuel economy—in essence, GHG regulation and fuel economy regulation are functional equivalents.
  - AIAM and its member companies have supported and continue to support more stringent federal fuel economy standards for automobiles and light trucks under the federal CAFE program.
  - While there is an important role for state and local governments in addressing climate change concerns in their jurisdictions, competing and inconsistent state GHG emissions standards are ill-advised and counter-productive.
  - The central concern for EPA should be **how** to best regulate GHG emissions and fuel economy. While there is an important role for state and local governments within a federal framework in addressing climate change concerns in their jurisdictions, competing and inconsistent state GHG emissions standards produce very significant costs and burdens on industry without any measurable benefit.
- **EPA should not grant a waiver to California.**
  - EPA should not grant a waiver of preemption to California under the Clean Air Act (“CAA”) to permit it to enforce separate state GHG standards in California and in each of the Section 177 states.
  - Climate change is a global concern that is more effectively addressed at the national level.
  - State GHG emission standards are disguised fuel economy standards preempted by EPCA (the “CAFE” law). *(Continued on reverse side)*



- Allowing California and the 177 States to establish GHG emissions standards will result in an unnecessarily complex patchwork of requirements which, when combined with the federal CAFE program and possibly an EPA program as well, will not produce more meaningful environmental benefit.
- **A comprehensive national approach to climate change is needed.**
  - Congressional action is needed to establish a new and comprehensive framework for addressing climate change in all sectors of the U. S. economy, including infrastructure support for alternatives to fossil fuels.
  - EPA should work with the new Administration and Congress to craft new legislation to accomplish this goal – either in the form of an amendment to the Clean Air Act to specifically address climate change or in the form of a new Act of Congress.
- **The current Clean Air Act is not an effective vehicle for addressing climate change.**
  - The CAA is not properly structured to effectively address an issue like climate change and its enforcement mechanisms are ill-suited to policing GHG emission reductions.
  - If EPA determines that it also will regulate GHG emissions from motor vehicles under the current Clean Air Act, it should work closely with NHTSA to develop an approach that is consistent with the new CAFE program, provides maximum flexibility for compliance and does not create overlapping or duplicative requirements that have little or no incremental environmental benefit in terms of GHG reduction.

#### *Other Issues*

- **Advanced Technology Vehicles.**
  - Market incentives can be a useful tool for development of advanced technologies and infrastructure.
  - It is important to maintain performance-based and technology-neutral incentives for the development of alternative fuels and advanced technologies and to avoid picking “winners and losers.”
  - Providing flexibility and options maximizes opportunities for innovation by allowing each automaker to continue to pursue its own research priorities and strengths.
- **Renewable Fuels.**
  - Any consideration to authorize ethanol blends above 10 percent must first be thoroughly test to ensure that there are no emissions, safety, performance, drivability or durability problems associated with the new fuel.
  - Without appropriate testing, there is a significant risk that emissions systems could be seriously damaged over time and consumers will not accept the new fuel.

**ASSOCIATION OF INTERNATIONAL AUTOMOBILE MANUFACTURERS  
PROPOSED PRIORITIES FOR NHTSA IN THE OBAMA ADMINISTRATION****November 25, 2008**

**CAFE** - The single most critical issue for the industry is the establishment of a single agency to regulate light vehicle fuel economy and greenhouse gas emissions. Currently, 20 separate Federal and state agencies have either adopted regulations or initiated rulemaking in this area. Now more than ever, this wasteful duplication is intolerable and could be avoided through interagency cooperation and appropriate management direction from the Administration. NHTSA's CAFE legal authority is the most appropriate for achieving Administration goals in this area. Manufacturers need maximum lead time to comply with CAFE, therefore NHTSA should begin rulemaking in 2009 for 2016-2020 standards. NHTSA should be provided with additional budget and staff resources to accomplish these goals.

**Data and analysis for setting rulemaking priorities** - Full funding should be provided to allow the agency to establish its rulemaking and research priorities on the basis of comprehensive crash data and safety analysis. Such funding should be provided for the FARS and NASS data systems and the crash causation study. AIAM has joined a coalition of industry and public interest organizations in urging Congress to provide additional funding for the NHTSA data systems, and AIAM supports enhancing the child passenger data collected in NASS.

**Advanced Technology** - AIAM supports NHTSA's recent emphasis on encouraging the implementation of electronic crash avoidance technology. AIAM favors the promotion of such technologies through the NCAP consumer information program. With the rapid development and implementation of these technologies, the agency can more effectively encourage manufacturers to provide and consumers to purchase such systems through consumer information approaches rather than mandating the technology through rulemaking.

**Harmonization** - Efforts to harmonize vehicle regulations through adoption of Global Technical Regulations promote safety on an international basis, while reducing manufacturing (and thereby consumer) costs and promoting trade. NHTSA's budget in this area should be enhanced.

**Information Exchange** - A NHTSA-industry dialogue should be re-established to promote the exchange of information regarding NHTSA rulemaking and research priorities and plans. Such a dialogue benefits safety by stimulating the industry's early focus on new safety initiatives.

**Transportation infrastructure** - Vehicle-to-vehicle and vehicle-to-infrastructure communication technologies show the potential for the achievement of significant safety and other traffic-related benefits. Any Administration effort to provide new funding for transportation infrastructure should include funding to enable the incorporation of intelligent vehicle systems in the re-built infrastructure. An open architecture approach should be rejected for safety critical applications because it would not provide the necessary degree of reliability.

**Driver behavioral issues** - NHTSA should continue efforts to increase seat belt use and address impaired driving. Driver distraction from portable electronic devices is an issue of increasing safety significance in our view. Vehicle technology can assist in addressing these matters, but there is no near-term substitute for public information and traffic enforcement approaches.

**Vehicle crash compatibility** - Substantial benefits for the current vehicle fleet have been achieved through the voluntary agreement on crash compatibility. NHTSA should focus on compatibility issues for the future vehicle fleet, which will likely be made up of a significantly different mix of vehicles than today's fleet.

**Quiet Cars** - This issue is being investigated by an SAE Task Force and at the Volpe Center, however there is virtually no data to date suggesting that there is a problem. There should be no rush to regulate in this area until the problem and possible solutions are better understood.

