

**Alliance** OF AUTOMOBILE  
MANUFACTURERS

## Meeting with DOT-EPA Transition Team – December 10, 2008

### *GHG/Fuel Economy Regulation*

The Alliance shares the concerns of all Americans about energy security and climate change, and believes that an effective program to address climate change must be built on a single, strong national standard, and not a series of conflicting approaches in different federal agencies or different cities or states.

The Alliance has declared its public support for a comprehensive, economy-wide program to reduce greenhouse gas emissions. Unlike traditional tailpipe pollutants, state-by-state fleet fuel economy or GHG emissions reduction regimes are significantly more burdensome because compliance is based on vehicle sales within individual states on a retrospective basis.

The Obama Administration should direct EPA and DOT to work together to develop a harmonized, national program that will deliver significant environmental and oil savings benefits while avoiding unnecessary burdens from multiple, conflicting regulatory regimes.

There are a number of serious structural conflicts between Federal law and the California approach that need to be resolved, including:

- Definition of vehicle types (car vs. truck) for compliance purposes
- Standard methodologies (attribute vs. flat standards)
- The distinction between domestic and import fleets
- Credits for flex-fuel capable vehicles

### *Mid-Level Ethanol Blends*

The Alliance strongly supports the increased use of ethanol as a transportation fuel but opposes the introduction of mid-level blends (such as E-15 or E-20) for general use until testing is completed on the impacts of these blends on vehicles, emissions, consumers, potential compliance issues and warranty claims. Contrary to some assertions, the research to date does show impacts on catalysts and remains insufficient to understand long-term effects. Using blends beyond the legal E-10 in vehicles and products not designed to handle the higher ethanol levels will likely void manufacturers' warranties and may result in safety risks to the user and performance irregularities.

### *Low-Carbon Fuel Standard*

The Alliance supports reductions in the carbon content of fuels. Automakers have been making and will continue to make significant improvements in vehicle fuel economy. A low national low carbon fuel standard would compliment these actions by decreasing the carbon intensity of fuels over time, calculated on a lifecycle basis. The Alliance supports these strategies because they can promote renewable fuels and reduce dependence on petroleum while also reducing GHG emissions.

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## Alliance of Automobile Manufacturers

### Nov 25, 2008 – U.S. Dept. of Transportation Transition Team Meeting

The Alliance of Automobile Manufacturers is comprised of eleven member companies that account for nearly 80 percent of new vehicle sales in the U.S. Our member companies directly employ 294,000 American workers and support an additional 898,000 related jobs at parts suppliers, dealerships and other related businesses in all 50 states. The auto industry, accounting for roughly 20% of all retail sales and 4% of GDP, is the largest U.S. manufacturing sector and a major driver of the U.S. economy.

The Alliance is committed to providing safer, cleaner and more fuel-efficient automobiles. Although automakers are facing significant challenges in the current economic downturn, our commitment to improving motor vehicle performance in each of these areas remains strong. We look forward to working proactively and cooperatively with the new leadership of the Department of Transportation and the National Highway Traffic Safety Administration to use our combined experience and expertise to maximize the benefits for the driving public.

**Most of the new, significant safety technologies are implemented voluntarily by manufacturers not as a result of any regulatory mandate. Without close cooperation between government and industry, the introduction of advanced safety technology risks being compromised.**

Auto manufacturers are engaged in research, development and testing of safety technologies on an ongoing basis – often well ahead of any regulatory timetable. In fact, most of the new, significant safety features currently available on motor vehicles in the U.S. – anti-lock brakes, stability control, side airbags for head and chest protection, side curtains, pre-crash occupant positioning, lane departure warnings, radar use for collision avoidance were implemented voluntarily by manufacturers, not as a result of any regulatory mandate. The industry is engaged in high-tech research and implementation of new safety technologies, such as autonomous braking systems and vehicle safety communications systems for crash avoidance. We are committed to working closely with NHTSA to ensure that new technologies align with additional safety needs and requirements and that the introduction of advanced safety technologies is facilitated not impeded, or worse, frozen. Near-term, automakers are voluntarily installing side and rollover curtain airbags in a growing number of vehicle models. It is important that we work closely with NHTSA to ensure that the occupant ejection mitigation rulemaking reflects our recent technological gains.

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**We look forward to continuing ongoing, successful safety projects.**

**Alcohol Detection Technology Research:** The Alliance and NHTSA are nearing completion of the first year of a public-private research partnership to investigate development of effective technology to prevent people from driving while intoxicated. In addition to offering engineering expertise, the Alliance is funding half of this program, which has been lauded by Congress and the safety community. The new administration should consider requesting substantial funding from Congress for this research program.

**Primary Enforcement Safety Belt Laws:** The Alliance and the National Automobile Dealers Association are working with NHTSA to secure enactment of state primary enforcement safety belts laws. The new administration should consider a sanction on highway funds in order to spur more states to adopt primary safety belt laws.

**Adequate lead time and phase-in to implement new regulatory standards is critical.**

It can take 5-7 years to bring a vehicle from design to market and often a vehicle's base architecture can exist for 10 years and sometimes longer. In addition, as new safety, emissions and fuel economy technologies are becoming more complex, the time needed to develop, test, and verify the durability and reliability makes this lead time and phase-in even more critical. Automakers need adequate lead time to design, build and test vehicles to ensure they meet government regulatory standards without detracting from the design features, durability and reliability critical to consumers. Phase-in time is also needed to ensure that engineering and manufacturing work is balanced and cadenced across all vehicles in order to efficiently use resources and minimize re-engineering existing designs.

**We need a single national standard for fuel economy/GHG standards.**

Automakers are committed to improving fuel economy and reducing CO<sub>2</sub>, but meeting this commitment is a big challenge, especially under foreseeable market conditions. It is more important than ever that there is a single fuel economy standard set by the federal government, and this standard needs to make both environmental and economic sense. The success or failure of the industry will have national economic consequences. Adherence to one federal regulatory standard (reformed CAFE) enhances the likelihood that those national economic consequences will be positive.