

United States Senate

WASHINGTON, DC 20510

April 4, 2011

The Honorable Ray LaHood
Secretary
Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

The Honorable Lisa Jackson
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue N.W.
Washington, DC 20004

Dear Secretary LaHood and Administrator Jackson:

As authors and supporters of the Ten-in-Ten Fuel Economy Act (Public Law 110-140), we appreciate your efforts to advance the goals and requirements of this legislation by increasing the fuel efficiency of our nation's fleet of vehicles. Your implementation of this law will save American consumers and businesses billions of dollars at the gas pump for years to come – an impact made even more important by rising oil prices.

As your agencies establish two more sets of harmonized standards – one regulating the fuel efficiency and pollution of cars, pick-up trucks, and SUVs from 2017 to 2025 and the other establishing the first-ever standards for medium and heavy duty trucks – we write to encourage you to set standards that increase consumer information, reduce pollution, and save money for American families.

Standards for Cars, Pick-up Trucks and SUVs

Your initial joint rule setting new Corporate Average Fuel Economy (CAFE) standards for cars, light-trucks, and sport utility vehicles will raise fleetwide fuel economy to the equivalent of more than 35 miles per gallon by 2016. These harmonized standards demonstrate the success of the Ten-in-Ten Fuel Economy Act, and they reinforce how cost-effective national standards can improve our economy and reduce our reliance on foreign oil. The final rule – the first fleetwide increase in CAFE standards in 25 years – will save about 1.8 billion barrels of oil and reduce nearly a billion tons of greenhouse gas emissions over the lives of the vehicles covered. As a result, American consumers will have more efficient vehicle choices in the market just as the price of oil is rising rapidly.

The final CAFE rule demonstrates that a single program to reduce oil consumption and greenhouse gas emissions under the Ten-in-Ten Fuel Economy Act and the Clean Air Act results in an aggressive policy to advance the goals of

both laws. The regulation also demonstrates that strong Federal standards are the best means to ensure that California and other states are not legally obligated to enforce more aggressive standards to protect the health of their citizens – a right California has had under the Clean Air Act since 1970.

We strongly support the cooperative approach you have taken, and we encourage you to continue your efforts to issue maximum feasible nationally coordinated fuel economy regulations, based on the successful methodology used to date. Your agencies' recently released technical assessment, which discusses harmonized standards for new vehicles sold from 2017 to 2025, demonstrates that a significant increase in fleetwide fuel economy – six percent annually – is both technically feasible and cost effective for consumers. We encourage you to draw on this analysis and recently released peer reviewed studies to develop standards that both meet the Ten-in-Ten Fuel Economy Act's "maximum feasible" increase mandate, and ensure a coordinated national standard.

Information for Consumers and American Businesses

We also would like to comment on the draft standards for medium and heavy duty trucks (Docket ID No. NHTSA–2010–0079). We recommend that the final rules require fuel economy window stickers on large pick-ups and an online tool to allow purchasers to calculate the fuel economy of various truck configurations. Consumers benefit from knowing the fuel economy of vehicles on the market.

The Ten-in-Ten Fuel Economy Act is intended to help consumers and businesses save money at the pump. To accomplish this, American consumers and businesses need easy-to-use information about vehicle fuel economy, so that they may compare vehicles. According to the 2010 National Academy Report:

Given the high fuel consumption sensitivity of some medium- and heavy-duty vehicle purchasers, it appears that one priority should be to ensure that accurate information on the fuel consumption characteristics of a completed vehicle is available to the purchaser. Having such information would help drive the selection of vehicles with the lowest fuel consumption for the task performed.

Clearly, the businesses and consumers who purchase medium and heavy duty vehicles are mindful of the costs of fuel and would utilize information when making purchasing decisions. In light of the NAS guidance, we strongly recommend that the final medium and heavy duty truck fuel economy regulations require a window sticker on every pick-up truck and van above 8,500 pounds,

modeled on the fuel economy label for light duty vehicles, which informs consumers of the vehicle's average fuel economy and estimated annual fuel cost.

The label would be especially helpful to the farmers, contractors, landscapers, and other small business owners who purchase approximately 785,000 of these pick-up trucks each year, but who currently cannot compare the fuel economy of large pick-up truck models. By providing a small business owner with the information to select a truck that gets one additional mile per gallon, EPA and DOT would enable the business owner to save more than \$500 per year.

We also recommend that DOT and EPA create an online tool to allow trucking companies and truck drivers to calculate the fuel economy of various vocational vehicle and tractor trailer truck configurations. As your agencies point out in your regulatory impact analysis, "truck fleets typically operate on a very thin profit margin (1-2 percent); therefore, increased truck fuel economy can greatly increase a company's profitability." American industry would profit from being given the information necessary to choose fuel efficient vehicle options.

Obtaining Maximum Feasible Improvement in Fuel Economy

In addition to providing American businesses with the information necessary to make informed choices, The Ten-in-Ten Fuel Economy Act also instructed the Department of Transportation (DOT), in consultation with the Environmental Protection Agency (EPA), to establish fuel economy standards for medium and heavy duty trucks. These standards will provide American businesses with more cost effective means to move goods by requiring trucks to achieve the "maximum feasible improvement" in fuel economy, based on the findings of the National Academy of Sciences report completed in 2010.

The heavy-duty sector addressed in this DOT-EPA proposal accounted for nearly six percent of all U.S. greenhouse gas emissions in 2007. Heavy-duty trucks are the fastest-growing contributor to greenhouse gas emissions within the transportation sector, making it critically important that fuel economy standards for these vehicles be established and increased at the maximum feasible rate.

We are concerned that the fuel economy improvements proposed in the draft regulations are less aggressive than the potential identified by the National Academy Report, and we recommend the final standards be strengthened.

Pick-up Trucks and Vans above 8,500 Pounds

The DOT and EPA propose only a 12 percent improvement in fuel economy for gasoline pickup trucks and vans above 8,500 pounds between 2010

and 2018, and a 17 percent improvement for diesel vehicles of the same class. This is notably less fuel economy improvement than the 25 percent improvement required for cars, light trucks and SUVs under CAFE standards over the next four years. These less aggressive standards result, in large part, from the draft rule not considering all the technologies identified in the National Academy Report.

Many fuel-efficient technologies deployed in pick-up trucks under 8,500 pounds, like the Ford F150, may also be deployed in larger pick-up trucks regulated by this proposal, like the Ford F250. It is therefore concerning that the “maximum feasible improvement” in fuel economy under this regulation is considerably smaller than what is the “maximum feasible” rate attainable for vehicles under 8,500 pounds.

To meet the statutory mandate, we recommend that the final standards be based on the full suite of technologies identified as technologically feasible by the National Academy Report, and should associate as much fuel savings with each technology as the NAS estimated. The NAS identified fuel savings potential from technologies not included in the draft standards: turbocharged-gasoline direct injection systems, cylinder deactivation, and coupled cam phasing. Considering the full package of technologies could more than double the rate at which standards could be increased cost effectively, according to NAS’s own estimate.

Vocational Vehicles and Tractor Trailer Trucks

The proposed standards for vocational vehicles – such as delivery trucks – and tractor trailer trucks also do not factor in all the fuel savings technologies identified in the National Academy Report.

The vocational truck standard is based on potential improvements to engines and tires exclusively. Savings potential identified in the National Academy Report from hybridization, aerodynamic improvements, advanced transmission, and mass reduction are not considered. For transmissions, for example, the NAS found savings in the range of 2 to 8 percent.

The draft rule explains that your agencies have chosen not to factor in additional technologically feasible oil savings potential due to concerns that it would add complexity and measurement challenges to the Vocational Truck standard. However, the statute requires the DOT to study and implement a fuel efficiency improvement program for “heavy-duty on-highway vehicles,” not just the engines and tires of those vehicles. We recommend your agencies develop objective testing and data collection methods that allow savings from the technologies identified by the NAS to be factored in to the vocational vehicle

standard. If a standard for the full vehicle is not possible at this time, we strongly encourage the final rule to lay out a plan to establish such a standard in the future.

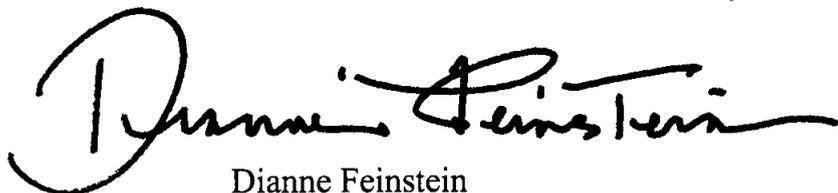
Similarly, we recommend that DOT and EPA reconsider whether to establish standards regarding truck trailer impacts on fuel consumption. The National Academy Report specifically states that “by the 2015 to 2020 time frame, the use of aerodynamic features can provide fuel consumption reductions of about 15 percent for tractor-van trailer vehicles operating at 65 mph.” A standard that fails to capture this considerable fuel savings potential would likely not demonstrate the maximum feasible improvement.

Conclusion

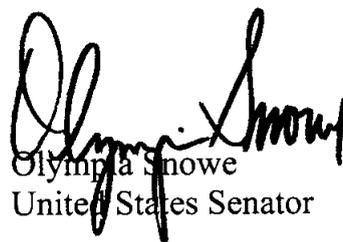
The recent spike in oil prices remind us once again of the importance of your cooperative efforts to reduce America’s dependence on oil. We are very appreciative that your agencies have taken the initiative to propose harmonized standards that aggressively reduce both oil use and pollution.

We thank you for working to improve these regulations in order to assure that they attain the goals of the Ten-in-Ten Fuel Economy Act. We hope you have found our recommendations helpful.

Sincerely,



Dianne Feinstein
United States Senator



Olympia Snowe
United States Senator



Maria Cantwell
United States Senator



Richard Durbin
United States Senator



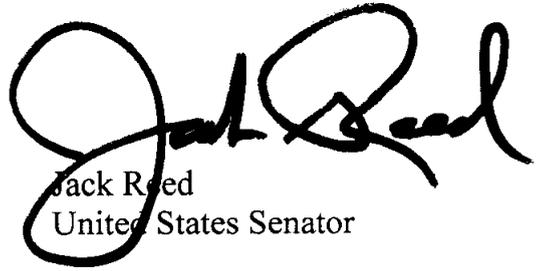
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Joseph Lieberman
United States Senator



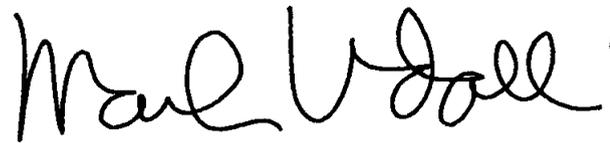
Frank Lautenberg
United States Senator



Bill Nelson
United States Senator



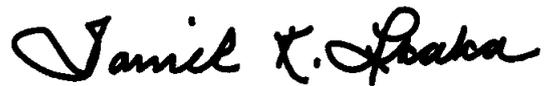
Robert Menendez
United States Senator



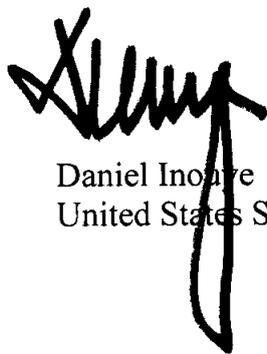
Mark Udall
United States Senator



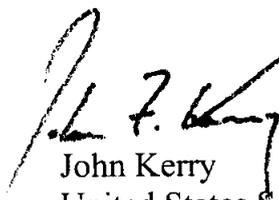
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