

Message

From: David Schwietert [DSchwietert@autoalliance.org]
Sent: 4/2/2018 7:57:58 PM
To: Letendre, Daisy [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b691cccca6264ae09df7054c7f1019cb-Letendre, D]; Gunasekara, Mandy [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=53d1a3caa8bb4ebab8a2d28ca59b6f45-Gunasekara,]; Jackson, Ryan [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=38bc8e18791a47d88a279db2fec8bd60-Jackson, Ry]; Bolen, Brittany [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=31e872a691114372b5a6a88482a66e48-Bolen, Brit]; Harlow, David [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b5a9a34e31fc4fe6b2beadda2affa44-Harlow, Dav]
Subject: Auto Alliance follow up - EPA's Final Determination

Ryan, Mandy, Brittany, Daisy, and David,

Thanks for sharing the Administrator's press release following the signing of the Final Determination earlier this afternoon.

I wanted to follow up with you because in addition to the Auto Alliance statement about the EPA's Final Determination, there's been some questions raised about the Ford statement/joint Op-Ed from last week. Seeing that Ford is a member of the Auto Alliance, I wanted to underscore the following:

- The Auto Alliance statement still stands regarding support for the Administration moving forward with the Final Determination which will initiate a future joint rulemaking process to allow the public and relevant stakeholders to comment on future fuel economy standards between MY 2022-2025.
- I would stress that Ford's statement reiterates support for "increasing" standards and shouldn't be viewed as support for the 2012 Rule that called for 54.5 MPG (EPA equivalent) by MY 2025 – which as you know stipulated that there would be a data driven mid-term review with coordination between EPA and NHTSA.
- In addition, some media outlets can get stuck on the word "rollback" but that would require agreement on a baseline. For instance, if the baseline standard is the MY 2018 fuel economy/GHG standard then "rollback" means something entirely different than a reporter who views a "rollback" as anything that is less than the 2012 Joint Final Rule that envisioned an estimated fuel economy standard of 54.5 MPG by 2025. Under such an interpretation, a rollback is anything less than 54.5 MPG.

Happy to answer any questions you have but I thought it would be important for me to follow up. And of course, my email is not intended to speak for Ford but they are certainly happy to clarify anything if you need additional information.

Also, I thought you might find it useful to see how the auto sector is stacking up regarding its contribution to GHG reduction (see bottom of email)

Thanks,

Dave

AUTO ALLIANCE STATEMENT ON EPA FINAL DETERMINATION (issued 4/2/18):

“This was the right decision, and we support the Administration for pursuing a data-driven effort and a single national program as it works to finalize future standards. We appreciate that the Administration is working to find a way to both increase fuel economy standards and keep new vehicles affordable to more Americans.

“Today’s announcement was the expected necessary step that sets in motion a future rulemaking where the government will propose a range of alternatives – sharing the data gathered to support various options — and seek public comments.

“Automakers are committed to increasing fuel economy requirements and the key to achieving higher standards is selling more of the highly fuel-efficient vehicles, including 50 models of electric cars, now in dealer showrooms. Consumer research shows that the monthly payment is the top concern when car-shopping. So, to ensure ongoing fuel economy improvement, the wisest course of action is to keep new vehicles affordable so more consumers can replace an older car with a new vehicle that uses much less fuel – and offers more safety features. Automakers continue to develop safety and other innovations and we want to get these technologies – and all their benefits – on the road as soon as possible.

“Maintaining a single national program is critical to ensuring that cars remain affordable. We look forward to working with key stakeholders and the State of California once EPA and NHTSA begin a rulemaking. As in the past, we will review their proposed rule through the lens of its impact on jobs and meeting our customers’ needs for affordable, safe, clean and fuel-efficient transportation.”

FORD Op-Ed from last week: <https://medium.com/cityoftomorrow/a-measure-of-progress-bc34ad2b0ed>

“We support increasing clean car standards through 2025 and are not asking for a rollback. We want one set of standards nationally, along with additional flexibility to help us provide more affordable options for our customers. We believe that working together with EPA, NHTSA and California, we can deliver on this standard.

In addition, at Ford, we believe we must deliver on CO2 reductions consistent with the Paris Climate Accord. We already have charted a course for our future that includes investing \$11 billion to put 40 hybrid and fully electric vehicle models on the road by 2022 as well as responsible development of the self-driving car.”

Auto Alliance material about CO2 reduction:

The Paris Agreement called for a 26-28% reduction in US GHG emissions from 2005 to 2025.

In 2005 MY the fleet averaged 447 g/mi CO₂ (EPA Trends Report p4). In 2017 MY the fleet averaged 352 g/mi (projected EPA Trends Report). That is a 21.2% reduction already. And these values represent adjustments for real world emissions (by EPA). The Auto industry is ahead of the game and doing more than our share.

<https://autoalliance.org/2017/06/05/facts-progress-auto-co2-reductions/>

The auto sector has already made significant carbon reductions in its products.

Fleet-wide automobile CO₂ reductions are already more than 22 percent lower than in 2005. According to the 2016 EPA Trends Report, the real-world emissions of new cars and light trucks went from an average of 447 g/mi CO₂ in 2005 to 347 g/mi in 2016.

CO₂ reductions by the auto sector already approach the Paris goals for 2025.

Under the Paris Climate Accord, the Obama Administration agreed that by 2025 the U.S. would cut greenhouse (GHG) emissions by 26-28 percent compared to 2005 levels.

Current NHTSA/EPA requirements for fuel economy/GHG reductions through 2025 would result in a reduction of more than 50 percent — almost double the stringency of the Paris Agreement during the same timeframe of 2005-2025. While the 2022-25 standards are undergoing a midterm review, the overall contribution of autos to carbon reduction will still greatly exceed the Paris stringency, regardless of the results of the midterm review.

Automobiles represent a shrinking portion of total CO₂ emissions, according to EPA data.

Cars and light duty trucks represented 16.45 percent of total US CO₂ emissions in 2015, according to EPA's Greenhouse Gas Inventory. All of US transportation (including rail, airlines, shipping) was 27.5 percent of total US CO₂ emissions in 2015.

Progress is demonstrated across the range of products in dealer showrooms.

Consumers enjoy much choice when shopping for energy-efficient autos. This year, more than 480 models are on sale that achieve high mileage (30+ MPG, highway) — up 530 percent from 2007, when there were 76 models. And, the

number of models reaching 40+ MPG (highway) is increasing as well, with 74 models on sale in 2017. While gasoline engines are becoming more energy-efficient, consumers can also choose from approximately 50 hybrids and 30 electric vehicles on sale.