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**From:** Carol Lee Rawn [rawn@ceres.org]  
**Sent:** 6/7/2018 10:12:53 PM  
**To:** Wehrum, Bill [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=33d96ae800cf43a3911d94a7130b6c41-Wehrum, Wil]; Wehrum, Bill [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=33d96ae800cf43a3911d94a7130b6c41-Wehrum, Wil]; Gunasekara, Mandy [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=53d1a3caa8bb4ebab8a2d28ca59b6f45-Gunasekara,]  
**CC:** Ryan Martel [martel@ceres.org]; Matthew Miller [Matthew.Miller@edisonintl.com]; Ken Locklin [k.locklin@impaxam.com]; laurie.purpuro@klgates.com; Rothenstein, Cliff L. [Cliff.Rothenstein@klgates.com]; Tess Hetzel [tess\_hetzel@symantec.com]  
**Subject:** Thank you for meeting with Impax, Edison International, Symantec and Ceres

Dear Bill and Mandy,

Many thanks for taking the time to meet with Impax Asset Management, Edison International, Symantec and Ceres on Monday. As you heard, the group emphasized the importance of regulatory certainty for businesses and investors, which would clearly be undermined if the proposed rule does not include an alternative which can serve as the basis for agreement between the Administration, California and the industry.

As you know, failing to include such an alternative will inevitably unleash further litigation (18 states, representing 43% of the vehicle market, including Iowa and Illinois, are already challenging the Final Determination) and result in regulatory uncertainty and delay that will compromise the future success of the auto industry, a key driver of the U.S. economy.

During the meeting, Impax Asset Management (see [Impax Fortune op-ed](#)) explained how standards have benefited suppliers and that weakening the standards would undermine the global competitiveness of the industry, Edison International cited the significant investments in electric vehicle (EV) infrastructure that have been made due to the fact that increased EV deployment benefits utilities and the grid, and Symantec stressed the importance of regulatory certainty. Ceres also shared our recent [economic impact analysis](#) and [fact sheet](#), which found that weakening the current standards would harm auto parts suppliers in particular, who supply 80% of clean vehicle technologies, and represent the largest manufacturing sector in the U.S. It would also undermine the global competitiveness of the industry, decreasing investment in development of cleaner technologies, as the rest of the world moves toward cleaner vehicles (a recent *Automotive News* [article](#), "Suppliers Could be Left on Technology 'Island' if U.S. Rolls Back Fuel Standards" underscores this point).

In addition, Ceres described our [affordability analysis](#) and [fact sheet](#), which concluded that median and low income consumers benefit from strong standards, and that fuel economy technology accounts for a minor portion of increased vehicle costs. The analysis found that average new car prices are increasing due primarily due to consumer preferences for larger vehicles and additional luxury content rather than costs associated with fuel savings technology. Given that the average new car buyer's income is 175% that of the median household income, low and median income consumers have migrated to the used car market, where they benefit from the fuel cost savings ensured by strong standards. Of course, the standards also insulate businesses and consumers from the severe economic consequences of oil price volatility, and benefit the broader economy by increasing consumer spending.

We share your goal of ensuring a robust economy that provides good jobs, but it is clear that weakening the vehicle standards will undermine that goal. Again, thank you for your time.

Best, Carol Lee

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