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April 20, 2004

U.S. Department of Transportation
National Highway Traffic Safety Administration
Docket Management Facility
Attention: DOT DMS Docket Number 2003-16128
Nassif Building, Room PL-401, Plaza Level
400 7th Street, SW
Washington, DC 20590

To Whom It May Concern:

On behalf of the State and Territorial Air Pollution Program Administrators (STAPPA) and the Association of Local Air Pollution Control Officials (ALAPCO) – the two national associations of air pollution control agencies in 53 states and territories and more than 165 metropolitan areas across the country – we are pleased to provide the following comments on the U.S. Department of Transportation’s National Highway Traffic Safety Administration’s advance notice of proposed rulemaking (ANPRM) on reforming the automobile fuel economy standards program, as published in the *Federal Register* on December 29, 2003 (68 FR 74908).

STAPPA and ALAPCO Support a Substantial Increase in the CAFE Standard

STAPPA and ALAPCO have a keen interest in the nation’s Corporate Average Fuel Economy (CAFE) program because of the relationship between fuel consumption and emissions that threaten public health and the environment. Decreased oil consumption will result in decreased evaporative hydrocarbon emissions from gasoline production and distribution and vehicle refueling, and in decreased greenhouse gases as well. Yet, our nation’s CAFE standards have remained almost static for nearly 20 years. Accordingly, we believe that the CAFE standard should be substantially increased, from the current levels of 27.5 miles per gallon (mpg) for cars and 21 mpg for light trucks (up to 8,500 pounds), to a far more aggressive, technology-forcing level, applicable to all passenger cars and light trucks up to 10,000 pounds.

STAPPA and ALAPCO Oppose a Weight-Based Standard

DOT has suggested a weight-based CAFE standard that decreases as vehicle weight increases, up to a curb weight of 4,000 pounds, at which point the standard would remain the same. However, STAPPA and ALAPCO believe such an approach is seriously flawed; although it may provide an incentive to reduce the weight of the heaviest vehicles, it would still inappropriately apply less rigorous requirements to heavier vehicles, thus encouraging manufacturers to add weight to most of the vehicles in their fleet. Further, a weight-based

standard could provide an incentive for manufacturers to reduce production of more fuel-efficient vehicles, which are generally smaller and provide less profit, and increase production of less fuel-efficient vehicles, which are generally larger and offer greater profit. Therefore, our associations reject a weight-based CAFE standard and, instead, endorse the continued application of a CAFE standard based on a fleet-wide efficiency average.

STAPPA and ALAPCO Support Extension of CAFE Standards to All Vehicles Up to 10,000 Pounds

Under the current CAFE program, vehicles over 8,500 pounds are exempt from fuel economy standards. This exemption, combined with growing consumer demand for bigger and bigger vehicles, inappropriately provides a strong incentive for the manufacture of vehicles over 8,500 pounds. To ensure that the passenger car and light truck fleet of today is fully subject to fuel economy standards, STAPPA and ALAPCO support extending CAFE requirements to *all* vehicles up to 10,000 pounds and eliminating the distinction between passenger cars and any light trucks suited for dual-use as passenger vehicles (including all minivans, “crossover” vehicles, most SUVs and some pickup trucks). We further recommend that the CAFE program’s distinction between domestic and imported fleets be discontinued.

STAPPA and ALAPCO Support Closing the Loophole for Flexible-Fuel Vehicles

Finally, our associations urge that DOT close the loophole for “dual-fuel” vehicles. Under current law, automobile manufacturers can earn fuel economy credits for manufacturing and selling vehicles designed to run on either gasoline or an alternative fuel; these credits are based on the assumption that such vehicles run on alternative fuel 50 percent of the time. In reality, however, with only a very limited number of refueling stations nationwide offering alternative fuels, dual-fuel vehicles are operating almost exclusively on gasoline, with alternative fuel representing less than 1 percent of the fuel used by these vehicles. As a result, dual-fuel vehicle manufacturers are earning fuel economy credits without reducing fuel use and then applying these credits to the production of less efficient vehicles, thus increasing gasoline consumption.

Conclusion

In conclusion, STAPPA and ALAPCO urge that DOT give full consideration to the recommendations we have outlined above and, in turn, broaden and strengthen the CAFE program to increase its ability to reduce fuel consumption and contribute to the achievement of our nation’s clean air goals. We thank you for this opportunity to provide our perspectives.

Sincerely,

Nancy L. Seidman
STAPPA Chair
Mobile Sources and Fuels Committee

Eric P. Skelton
ALAPCO Chair
Mobile Sources and Fuels Committee

cc: Ken Katz (NHTSA Office of Planning and Consumer Affairs)