Good morning. I am Julia Rege, Director of Environment and Energy at the Association of Global Automakers (Global Automakers). Thank you for the opportunity to comment on the proposed Safer Affordable Fuel-Efficient Vehicles (SAFE) Rule to regulate light-duty vehicle Corporate Average Fuel Economy (CAFE) and greenhouse gas (GHG) emissions.

Global Automakers represents the U.S. operations of international automobile manufacturers that design, build, and sell cars and trucks in the United States. Our member companies have invested $62 billion in U.S. facilities and directly employ more than 100,000 Americans. We produce nearly 40% of the vehicles manufactured in the U.S. at 25 manufacturing plants supported by 39 R&D facilities, and we sell approximately half of all new vehicles purchased in our country.

The auto industry plays a critical role in the U.S. economy, supporting over ten million jobs in all 50 states. Automakers have made significant investments in fuel efficiency technologies, including electrification, with over 40 electric cars offered today.
At the outset, Global Automakers appreciates the agencies’ decision to revisit the previous Administration’s rushed Final Determination on the MY 2022-2025 standards. Global Automakers agrees with the agencies’ conclusion that the current standards for those model years must be adjusted to account for changed conditions and to correct the original assumptions and predictions underlying those standards. The Notice of Proposed Rulemaking issued in August is an important first step in deciding what those adjustments should be.

Today, Global Automakers would like to share three requests on this proposed rule.

One. The regulations should require fuel economy and GHG improvements each year while also promoting the safest and cleanest vehicles and benefiting all Americans regardless of where they live.

We also need a balanced approach to these improvements. American consumers rule, voting with their wallets and determining whether the program succeeds. Car buyers weigh many factors when they purchase vehicles: passenger or cargo utility, safety technology (both automation and driver-assist), comfort features, fuel economy, reliability, performance, and, of course, price. Many customers value fuel economy, especially when gasoline prices are high. Others prefer high-performance, high-powered options. Regulations should support innovation, environmental improvement, consumer choice and overall industry competitiveness.

Two. The regulations should provide a variety of regulatory tools that automakers can use to manage many different product mixes. Compliance challenges differ from one company to
another, and there should be more than one path for improving fuel efficiency. For example, the off-cycle and air conditioner programs provide important additional efficiencies beyond those gained by the powertrain and for managing fleet compliance.

In addition, advanced technology credits support the country’s leadership in electrification at a time when there are many unknowns about electric charging and hydrogen refueling infrastructure development, vehicle incentives and consumer acceptance. One specific challenge involves increasing electrification of the fleet, and which policies at the federal and state levels—such as incentives or mandates—best support innovation.

Eliminating regulatory flexibilities could effectively make the standards more stringent and costlier, with little associated environmental impact. Automakers and suppliers have made significant fuel-saving technology investments under the existing programs that should not be stranded. The final rule should retain and strengthen these tools and technology incentives.

Three. Global Automakers wants a solution that maintains “One National Program” (ONP) coordinated with California and the states. We are encouraged that following the release of the proposal, the agencies—EPA, NHTSA and California—have renewed discussions. A federal policy that avoids untenable, unwieldy, and expensive regulatory overlap will achieve greater benefits than separate state programs.

A unified national program is achievable, and it is critical to balancing innovation, compliance, and customer needs, while at the same time learning from and improving upon previous regulations. This path is much preferable to years of uncertainty and litigation on preemption
and waivers. We also have an opportunity to work together on the right policy to encourage fuel efficiency improvements and manage the challenges of an electric vehicle mandate at the state level.

In closing, Global Automakers appreciates the agencies’ thorough attention and commitment to a transparent public process on this important issue. A coordinated approach to fuel economy and GHG regulation, vehicle safety, and consumer needs will help keep the auto industry competitive in these transformative times. We hope these discussions lead to a unified program, continuing in the spirit of collaboration and regulatory efficiency, to reach our shared goals of safer, affordable and more efficient vehicles. It is critical for American auto workers, American consumers and American ingenuity, that the Federal agencies and California work through their differences and commit to a unified program.

Thank you.