

**Paul A. Yost**

*Vice President*

*Energy and Resources Policy*

July 15, 2011

The Honorable Ray LaHood  
Secretary of Transportation  
U.S. Department of Transportation  
Washington, DC 20590

The Honorable Lisa Jackson  
Administrator  
Environmental Protection Agency  
Ariel Rios Building  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

Dear Secretary LaHood and Administrator Jackson:

On behalf of the National Association of Manufacturers (NAM), I am writing to express our interest in the development of national fuel economy standards for 2017-2025. Manufacturers are and will continue to be highly engaged in transportation issues. The NAM wants to be sure that future fuel economy standards are reasonable and achievable.

By way of background, the NAM is the largest manufacturing association in the United States, representing over 11,000 small, medium and large manufacturers in all 50 states. We are the leading voice in Washington, D.C., for the manufacturing economy, which provides millions of high-wage jobs in the U.S. and generates more than \$1.6 trillion in GDP. In addition, two-thirds of our members are small businesses, which serve as the engine for job growth. Our mission is to enhance the competitiveness of manufacturers and improve American living standards by shaping a legislative and regulatory environment conducive to U.S. economic growth.

The U.S. Department of Transportation (DOT) and the Environmental Protection Agency (EPA) have already set strong standards for 2012-2016 that raise the fleet average by 40 percent, to 35 miles per gallon. Looking forward, technology improvements should continue to support increases in fuel economy and greenhouse gas standards. However, it is important to point out that overreaching regulations can and do place a significant cost burden on manufacturers, businesses, families and individuals. We are concerned that the agencies are developing national fuel economy standards for 2017-2025 that are simply unattainable. Unattainable standards will be devastating to the economy and job creation. Such standards will cost jobs, significantly increase vehicle prices, limit vehicle choice and increase the cost of doing business in this country. We strongly encourage the DOT and the EPA to adopt a single, national fuel economy standard that considers America's needs for increased fuel economy while preserving the choices for families and businesses to meet their transportation needs without sacrificing affordability, safety, or jobs.

Safe, efficient and reliable transportation impacts every manufacturer in the country. We support your efforts to improve fuel economy by laying out a long-term program. However, we think it is imperative that the agencies take a balanced, practical and thoughtful approach.

It is important that standards for 2017-2025 support a broad range of consumer needs in terms of utility and function. As the engine of our economy, manufacturers, in particular, depend

on a wide range of affordable vehicles to carry out day-to-day business needs. The next phase of fuel economy standards should not pick winners and losers but should support a variety of technologies and fuel diversity to preserve affordability. The wrong standard will have a considerable negative impact on the automobile industry-- an industry that has recently shown great ingenuity and fortitude in overcoming significant challenges. Affordability, customer choice and job preservation should be as much a priority as increased fuel economy.

Finally, we are concerned that DOT (NHTSA) and EPA are planning to set standards 6 to 14 years into the future that involve a variety of factors with uncertain futures. For instance, the agencies would be forecasting future technology development, future gas prices, future consumer demand, and the overall economic climate more than a decade from now. With so many uncertain variables in play, it is extremely important that the agencies plan now to conduct a rigorous review of the future standards at a midway point, and revise the 2022-2025 standards as appropriate to ensure they are cost-effective.

Manufacturers think every day about ways to promote job creation and security in our country. We encourage you to carefully balance the factors that impact sensible fuel economy standards, including consumer choice, affordability and the economic concerns that weigh on our nation's fragile recovery.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul A. Yost", with a long horizontal line extending to the right.

Paul A. Yost  
Vice President  
Energy and Resources Policy

cc: Ron Bloom, Assistant to the President for Manufacturing Policy  
Gary Guzy, Deputy Director, Council of Environmental Quality  
Heather Zichal, Deputy Assistant to the President for Energy and Climate Change