

Commissioner

STATE OF CONNECTICUT

DEPARTMENT OF ENVIRONMENTAL PROTECTION

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November 22, 2005

U.S. Department of Transportation National Highway Traffic Safety Administration **Docket Management Facility** Attention: DOT DMS Docket Number 2005-22223 Nassif Building, Room PL-401, Plaza Level 400 7th Street, SW Washington DC, 20590

Re:

Proposed Average Fuel Economy Standards for Light Trucks

Model Years 2008-2011

Dear Docket Administrator:

On behalf of the Connecticut Department of Environmental Protection, I am pleased to provide comment on the proposed rule to set average fuel economy standards for light trucks, model Years 2008 through 2011, as published in the Federal Register on August 30, 2005 (70 FR 51414).

Connecticut has a nationally recognized record of decisive actions designed to reduce air pollution and protect the public health of our citizens and their environment. However, we need your help to meet our goals. Effectively managing the energy policy is key to achieving our environmental goals. Despite what we've done and will continue to do, the key to our success now lies in the transportation/mobile source sector. We need to reduce transportation-related air pollution and our vehicles must be cleaner and more efficient.

Connecticut has fully embraced "pollution prevention" as a preferred and more efficient strategy to eliminate or minimize pollution, rather than controlling it once it is generated. We have worked hard to use energy wisely and efficiently in our offices and homes. In doing so, we have learned that energy, the environment and the economy are inexorably linked. We have also found that regulatory approaches that support energy reliability, efficiency and security are also good for the environment and the economy. We strongly believe this is also true for corporate average fuel economy (CAFE) standards and we encourage the National Highway Traffic Safety Administration (NHTSA) to propose more robust CAFE standards.

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The "wells to wheels" relationship between fuel production, distribution and consumption to air pollution and our environmental quality is well documented. The relationship between fuel cost and the economy is equally clear. Decreased emissions of criteria and toxic pollutants, as well as greenhouses gases, that will be possible with substantial increases in fuel economy will benefit not only human health and the environment, but will also benefit the economy by making it less expensive to move goods and service in commerce.

It is within this framework that Connecticut offers these specific comments on the proposed rule:

- The proposed standards do not go far enough to increase fuel economy.
 Increases of two to three times that proposed by NHTSA are technically feasible and economically practicable. Setting a meaningful fuel economy standard is the best way to ensure that our economy is prepared to absorb additional fluctuations in oil prices similar to those we saw this summer and to maintain our economic competitiveness.
- 2. The Energy Policy and Conservation Act requires NHTSA to set maximum feasible fuel economy standards. Yet, for the proposed "transition" period, NHTSA has proposed unacceptably low expectations for the first option, used these low expectations to place a cost cap on the second ("reformed") option, and then allowed each automaker to choose the lowest of thetwo, thereby ensuring that neither option nor their combination yields the maximum feasible benefits required by the law.
 - A. NHTSA's proposal gives too much weight to the automakers with the worst average fuel economy rather than setting levels of fuel economy increases achievable for the industry as a whole.
 - B. NHTSA should revise the targets for the reformed system to reflect the maximum feasible standard, starting in 2008.
 - C. NHTSA should eliminate the transition period and offer only a single system so that automakers cannot pick the least stringent option.
- 3. NHTSA's rule should address an incorrect vehicle classification that as led to millions of passenger vehicles being classified as non-passenger vehicles. Sport utility vehicles (SUVs) and minivans are clearly passenger vehicles and should be not be classified as "light trucks."
- 4. NHTSA should embrace other positive changes in the fuel economy program, such as including vehicles that weigh from 8,500 to 10,000 lbs. Including these weight classes is technically feasible, would have compelling energy

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conservation benefits, and would reduce fuel costs for users of such vehicles, including farmers and small businesses. NHTSA should issue standards for vehicles in this weight range beginning in model year 2009.

- 5. NHTSA must use factually supportable assumptions in its mandatory costbenefit analysis. We believe that NHTSA must revise its cost-benefits analysis using a fuel price closer to \$2.00 per gallon instead of \$1.53 per gallon. Doing so would justify higher fuel economy targets for its standards. NHTSA also generally permits industry cost considerations to drive the standard while ignoring or undervaluing many benefits, such as enhanced national energy security. A more robust analysis must increase the fuel economy level considered cost-effective.
- 6. Contrary to NHTSA's statements, the reform proposed by NHTSA could lower fuel economy by causing shifts in production towards larger vehicles.
- 7. NHTSA inappropriately used the rulemaking process as a forum to state its non-binding legal opinions in an attempt to influence the outcome of pending litigation. These statements are not authorized, justified or otherwise in accordance with NHTSA's statutory direction to set fuel economy standards. The issues raised by NHTSA will be decided in a proper forum by a constitutionally designated court of competent jurisdiction. As such, in its final rule NHTSA should explicitly disavow its statement on the preemption of state greenhouse gas regulations in California or elsewhere.

The balance between fuel supply and demand is so delicate that, as we have witnessed, any disruption, whether significant or minor or whether real or perceived, has the potential to substantially impact energy prices and send shock waves through both the Connecticut and national economies. To promote conservation and increase supply NHTSA should broaden the proposed rule to include vehicles up to 10,000 pounds gross vehicle weight rating and strengthen the CAFE program in accordance with the comments made above. Doing so is not only technically justified and mandated by federal law; it makes sense because it will enhance our energy security, further protect our environment and support our economic well-being.

ours truly.

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Gina McCarthy
Commissioner