



September 18, 2019

The Honorable Elaine L. Chao  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

The Honorable Andrew Wheeler  
Administrator  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

Re: Advanced Technologies Compliance Flexibility Option

Dear Secretary Chao and Administrator Wheeler:

On behalf of the *National Coalition for Advanced Transportation (NCAT)*, we write to follow up on our April 9 and May 2, 2018 letters and to comment on recent developments. As recently requested by the US Chamber of Commerce in its August 29 letter (attached), we urge you to seize the opportunity to work with California to craft a mutually-agreeable path forward on light duty motor vehicle fuel economy and greenhouse gas (GHG) standards that can preserve a unified national program.

We are deeply troubled by yesterday's report that you intend to revoke California's long-standing, Congressionally-recognized authority to regulate motor vehicle GHG emissions. Revocation is neither legally nor factually warranted. Moreover, such an action moves our nation backwards at a time when neither our environment nor economic interests can afford further attack. The time has come to put politics aside and to forge a mutually-beneficial path ahead. Our country has always led the way in technology development and environmental protection. We cannot maintain this leadership if our national government is at war with states representing forty percent of the automotive market. We can and must do a better job of finding common ground. We must try harder.

We believe such common ground should reflect the key provisions of the Advanced Technologies Compliance Flexibility Option that we described in our 2018 letters. We believe this framework can resolve outstanding disagreements and meet the nation's priorities with regard to energy security, economic growth and competitiveness, and protection of public health and environmental quality.

The *NCAT* “Advanced Technologies Compliance Flexibility Option” would maintain the targets in the current MY 2022-2025 GHG standards, but would provide manufacturers with additional near-term compliance flexibilities. Corporate average fuel economy (CAFE) standards would be adjusted to reflect equivalent stringency, recognizing the different legal parameters established by the Energy Policy and Conservation Act. *NCAT* strongly supports preservation of state authority to adopt and implement GHG and zero emission vehicle (ZEV) standards, which we deem an essential predicate of this proposal set forth here. The flexibilities *NCAT* supports would include the following elements:

1. continue to attribute zero GHG emissions to electric vehicles (EVs), plug-in hybrid electric vehicles (PHEVs) when operating on electricity, and hydrogen fuel cell vehicles (FCVs);
2. extend and restructure credit multipliers for EVs, PHEVs and FCVs;
3. improve the off-cycle credit approval process; and
4. maintain existing credits for reduced air conditioning refrigerant leakage.

This package would provide near-term flexibility in complying with the current GHG and CAFE targets at lower compliance cost. At the same time, it would provide appropriate signals for further advancing and deploying technologies needed to reduce GHG emissions and increase fuel economy. Importantly, it would allow and encourage manufacturers to focus their investment on the advanced technologies of the future, enabling them to pursue emerging global market opportunities *and* benefit from the lower per-vehicle costs that newer technologies offer when produced at scale. This approach also strengthens and protects the domestic manufacturing base and supports the public and private infrastructure investment necessary for the emerging transportation system.

As set forth in *NCAT*’s 2018 letters, EVs and other advanced technology vehicles and supporting infrastructure can and must play a critical role in supporting U.S. global competitiveness, economic growth, energy security, and cost-effective protection of public health and environmental quality. To remain competitive in the global automotive market, the U.S. must continue to support policies that encourage adoption of electric and other advanced technology vehicles and related infrastructure to serve the needs of American consumers.

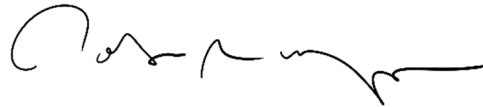
While we disagree with the Chamber’s assertion that there is any kind of “consensus” that the existing standards are not reasonably achievable and should be revised, given the role of the US Chamber in promoting the success of American business interests, it is important to note the organization has also concluded that the proposed lowering of the standards is untenable and threatens U.S. competitiveness.

We are at an inflection point. We are poised to lead the world in producing advanced transportation technologies. Our national priorities demand a final rule that maintains a strong and unambiguous investment signal, protects American jobs and rewards U.S. technology providers for innovation.

The *NCAT* approach provides a basis for maintaining stringent national standards while addressing automakers' requests for additional near-term compliance flexibility. If properly designed, this approach can maintain the energy, public health, environmental and economic benefits of the standards, support the desire of virtually all stakeholders to maintain a harmonized national program including both federal and state vehicle standards, and recognize the critical role that California and other states continue to play in reducing vehicle emissions and protecting public health.

Thank you for your consideration.

Sincerely,



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**National Coalition for Advanced Transportation (<https://www.lwncat.com>)**

Atlantic City Electric  
Baltimore Gas & Electric  
Center for Climate and Energy Solutions  
ChargePoint  
Commonwealth Edison Company  
Delmarva Power  
Edison International  
EVgo  
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Los Angeles Department of Water & Power  
Pacific Gas and Electric Company  
PECO  
PEPCO  
Plug-In America  
Portland General Electric  
Rivian  
Sacramento Municipal Utility District  
Tesla, Inc.

**cc: Docket Nos. NHTSA-2018-0067, EPA-HQ-OAR-2018-0283, NHTSA-2017-0069**

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

NEIL L. BRADLEY  
EXECUTIVE VICE PRESIDENT &  
CHIEF POLICY OFFICER

1615 H STREET, NW  
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August 29, 2019

Elaine Chao, Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Andrew Wheeler, Administrator  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W  
Washington, DC 20460

Mary Nichols, Chair  
California Air Resources Board  
1001 I Street, Sacramento, CA 95814  
P.O. Box 2815, Sacramento, CA 95812

Dear Secretary Chao, Administrator Wheeler, and Chair Nichols:

The U.S. Chamber of Commerce urges you to redouble efforts to identify a workable path forward on light duty vehicle fuel economy and greenhouse gas standards that provides regulatory certainty, continues progress on mileage and emissions reductions, and preserves a unified national program for vehicle sales.

This framework, known as One National Program, or ONP, has allowed for efficient regulatory compliance and a smoothly functioning marketplace under which manufacturers can sell the same vehicles across all 50 states. This significantly reduces vehicle design, supply chain, and distribution costs. As you know, however, ONP is now on the brink of potential dissolution into a patchwork of incompatible state and federal standards.

The attached Chamber report, *Divided Highway: the Importance of Uniform, Achievable Nationwide Automobile Standards*, summarizes the importance of maintaining ONP and the potentially serious disruptions to automobile markets, consumers, and the broader economy that could occur in the event of its dissolution. The ramifications of such a scenario include exacerbation of existing market uncertainties, delayed investment in and realization of safety and emissions improvements, increased consumer costs, and job losses across the auto sector, its extensive supply chain, and associated industries.

There is a growing consensus that the current standards, which require steep annual mileage improvements through model year 2025, are not reasonably achievable and must be significantly revised. It is also clear that the administration's proposal to hold standards flat beginning in

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model year 2020 is insufficient—continued progress on fuel economy and emissions reductions can be achieved without undue harm to the economy, and predictable year-over-year efficiency improvements are key to enabling the U.S. to maintain environmental and manufacturing leadership. The Chamber supports robust efforts to continue such fuel economy gains, recognizing that they must proceed at a more modest pace due to factors in the changing market dynamics that were not envisioned in 2012 when the current rules were put in place.

It is not too late to avoid the potentially dire consequences described in the Chamber's report. A workable compromise that continues to improve fuel economy and reduce emissions while recognizing market realities is not just possible, it is crucial. One National Program must remain in effect. For this to happen, political leaders on both sides must recognize the importance of such a compromise, put politics aside, and deliver a practical and achievable middle ground solution that avoids the impending chaos and uncertainty.

We know this will not be easy, but on behalf of the more than three million businesses represented in our federation of members, state and local chambers, and industry associations, we stand ready to work with you on this issue of crucial importance.

Sincerely,



Neil Bradley