



**ENVIRONMENTAL DEFENSE FUND
STATEMENT ON
U.S. ENVIRONMENTAL PROTECTION AGENCY AND
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION
“PROPOSED RULE - 2017 AND LATER MODEL YEAR LIGHT-
DUTY VEHICLE GREENHOUSE GAS EMISSIONS AND
CORPORATE AVERAGE FUEL ECONOMY
STANDARDS”**

EPA-HQ-OAR-2010-0799; NHTSA-2010-0131

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HILARY SINNAMON

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**Public Hearing
Detroit, Michigan
*January 17, 2012***

On behalf of Environmental Defense Fund and our more than 700,000 members nationwide, I sincerely thank you for the opportunity to testify today on this landmark proposal to address the extensive climate disrupting pollution from passenger vehicles and to provide consumers with nearly double the fuel efficiency of today’s cars and light trucks.

As Pulitzer Prize winning author Thomas Friedman recently wrote: “This is a big deal.” Increasing the efficiency of our passenger fleet is one of the most effective things we can do to reduce our dependence on oil, and will likely be one of President Obama’s greatest climate and energy security legacies.

A Military Advisory Board comprised of eleven retired three-star and four-star admirals and generals stated: “Our dependence on foreign oil reduces our international leverage, places our troops in dangerous global regions, funds nations and individuals who wish us harm, and weakens our economy; our dependency and inefficient use of oil also puts our troops at risk.”

Energy Security

The United States consumes more than 19 million barrels of oil a dayⁱ, which is nearly a quarter of the oil consumed in the entire world, and more than all European Union nations combined.ⁱⁱ Our nation’s fleet of cars and light trucks, the focus of this proposal, consumes more than 8.6 million barrels of fuel per day - 45 percent of total U.S. petroleum consumption.ⁱⁱⁱ

And over half of the oil we use each day is imported from foreign countries, many of which do not like us. The U.S. consumes nearly 25 percent of the world’s oil production, but controls less than 2 percent of the supply.^{iv} In 2008, we sent over \$1 billion a day overseas to pay for oil, the majority of it going to nations deemed “dangerous or unstable.”^v As General Anthony Zini said, “We will pay to reduce greenhouse gas emissions today...or we will pay the price later in military terms. And that will involve human lives.” His statement underscores why we need to act now.

We need to reduce the amount of oil we consume in the U.S. – by a lot. Thankfully, we’ve already taken the first step. In 2010, the agencies finalized the first phase of fuel efficiency and GHG standards for model years 2012-2016 vehicles, which are already in showrooms and on roads today. Those standards will make the first dent in our oil dependence by reducing consumption by 1.8 billion gallons over the lifetime of the

vehicles. That is a lot of petroleum, but it's not enough. That's why this proposal to further improve fuel efficiency of model year 2017-2025 is so important. It will further reduce our oil consumption by 4 billion gallons. When this program is fully implemented we will reduce our daily consumption by more than we import from the entire Persian Gulf today.

Economic Security

The high price of oil threatens our fragile economy. In fact, the price of a gallon of gas is up 10% since January of last year, 25% since January of 2010 and up 100% since January of 2009.^{vi} At today's average gas prices, consumers are spending more than \$1 billion a day to fuel their passenger vehicles – the largest household expense after housing. These high fuel prices leave consumers with less money to spend elsewhere. We need to put some of that money back into consumers' pockets.

Based on the projected fuel savings from today's proposal, vehicle owners could save more than \$4000 over the life of their new vehicle, offsetting the higher vehicle cost in under 4 years – and that's at today's fuel prices. And consumers who buy a vehicle with a typical 5-year loan will see immediate savings of about \$12 a month. That is literally money back in pockets.

This proposal also comes at a time when we are seeing a strengthening auto industry. In fact, at the Auto Show here last week Detroit was called a “beacon of hope” for the global auto industry.^{vii} That's because of the double-digit growth in passenger vehicle sales in 2011 and projected similar growth for 2012.^{viii} And much of these gains are coming from cleaner, more efficient vehicles.

In addition to pumping more money into our economy, the demand for new cars also creates a demand for workers. For example, Chrysler said it will add a third shift and 1,100 jobs at one of its Detroit plants.^{ix} And Ford Motor Company and G.M. recently announced plans to invest a combined \$1.5 billion to expand plants in Missouri.^x

Climate Security

Our petroleum addiction has significant environmental consequences. The combustion of oil in our nation’s fleet of light-duty vehicles emits about 20 percent of total U.S. greenhouse gases emissions. Carbon dioxide and other potent heat-trapping gases contribute to climate change, which can threaten us at home and abroad.

The number of people at risk due to droughts will increase because many low-rainfall areas are projected to receive less rain and because rising temperatures and evaporation will cause soils to dry. Seasonal snow packs in the Western United States will shrink, endangering water supplies relied upon by Western communities. The number and extent of wildfires, insect outbreaks, and tree mortality in the interior West, the Southwest, and Alaska will likely expand. And damaging impacts outside of the United States may harm our trade, humanitarian, and national security interests.

Natural disasters in 2011 wielded the costliest toll in history — a massive \$380 billion worth of losses from earthquakes, floods, tornadoes, hurricanes, wildfires, tsunamis and more. And that figure does not include the expenses associated with sickness or injuries triggered by the disasters.^{xi}

If finalized, stronger fuel efficiency and GHG standards for passenger vehicles could reduce carbon dioxide pollution by more than 6 billion metric tons over the life of the program – equivalent to the total CO2 emissions from the entire United States in 2010. It would be the biggest step our nation has taken yet to address climate change, and many believe it would be the single biggest step any nation has taken so far to address global climate change.

In conclusion I would like to say that Environmental Defense Fund is proud to be among the manufacturers, the auto workers, the economists, the health and environmental

advocates, the states, the national security groups, the small businesses and the consumers who **all agree** that cleaner more efficient vehicles are a step forward for American families and businesses.

ⁱ EIA, Petroleum Statistics, US Petroleum Consumption, (2010), available at http://www.eia.gov/dnav/pet/pet_cons_psup_dc_nus_mbbldpd_a.htm (last accessed June 6, 2011).

ⁱⁱ EIA, Petroleum Statistics, Total World Petroleum Consumption, (2009), available at <http://www.eia.gov/emeu/ipsr/t17.xls> (last accessed June 6, 2011).

ⁱⁱⁱ EIA, Annual Energy Outlook; 2011. Appendix A, Table A-7. [http://www.eia.gov/forecasts/aeo/pdf/0383\(2011\).pdf](http://www.eia.gov/forecasts/aeo/pdf/0383(2011).pdf)

^{iv} EIA, *World Proved Reserves of Oil and Natural Gas, Most Recent Estimate*, available at <http://www.eia.doe.gov/emeu/international/reserves.html> (last accessed June 6, 2011).

^v Center for American Progress, “Oil Dependence is a Dangerous Habit,” January 13, 2010. http://www.americanprogress.org/issues/2010/01/oil_imports_security.html “The United States imported 4 million barrels of oil a day—or 1.5 billion barrels total—from “dangerous or unstable” countries in 2008 at a cost of about \$150 billion. This estimate excludes Venezuela, which is not on the State Department’s “dangerous or unstable” list but has maintained a distinctly [anti-American](#) foreign and energy policy. Venezuela is one of the top five oil exporters to the United States, and we imported 435 million barrels of oil from them in 2008.” Last accessed June 6, 2011.

^{vi} EIA, <http://www.eia.gov/oog/info/gdu/gasdiesel.asp>

^{vii} <http://www.reuters.com/article/2012/01/10/us-usautos-outlook-idUSTRE80700K20120110>

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<http://online.wsj.com/article/SB10001424052970203513604577140440852581080.html>

^{ix} Bloomberg, “Marchionne Weighs New Fiat-Chrysler Partner,” January 10, 2012. <http://www.bloomberg.com/news/2012-01-09/marchionne-considering-fiat-chrysler-partner-to-lower-costs.html>

^x <http://www.nytimes.com/2012/01/12/business/auto-show-blends-politics-and-pragmatism.html>

^{xi} Raloff, Janet, “Insurance payouts point to climate change,” Science News, web edition, January 4, 2012. Available online at: http://www.sciencenews.org/view/generic/id/337368/title/Science_%2B_the_Public_Insurance_payouts_point_to_climate_change (last accessed January 15, 2012).