



Consumer Federation of America

Comments by Jack Gillis
Director of Public Affairs, Consumer Federation of America
Author, *The Car Book*
before the Environmental Protection Agency Hearing on
California's waiver to implement the Advanced Clean Car Program
Washington, DC
September 19, 2012
Docket ID No. EPA-HQ-OAR-2012-0562

My name is Jack Gillis. I am Director of Public Affairs at the Consumer Federation of America (CFA) and author of *The Car Book*. Formed in 1968, CFA is an association of nearly 280 non-profit organizations, working to advance the consumer interest through research, education, and advocacy. We greatly appreciate the opportunity to comment on California's request to implement its Advanced Clean Car Program, which would protect consumer pocketbooks, provide more choices in future showrooms, and reduce our dependence on oil.

As a consumer and auto expert I urge the EPA to approve California's request for waiver, under the Clean Air Act, to implement its Advanced Clean Car Program. In practice, tailpipe emissions standards encourage both the development of cars that go farther on a gallon of gas and alternatively-fueled vehicles. The result is cleaner, more efficient cars that help reduce America's vulnerability to oil and gasoline price shocks.

California's ability to set these strong standards is vitally important to the advancement of the auto industry and for meeting consumer demand for cleaner more efficient cars in states across the nation.¹

Consumers understand the benefits and have consistently voiced support for California's leadership on clean car standards. In fact, CFA's latest poll on the subject found that more than 70% of Americans support states being allowed to continue setting tailpipe emission standards that, as a result, increase fuel economy for motor vehicles.

In addition to CFA's survey results, the latest from *Consumer Reports* poll on the subject, found that:

- Eighty-one percent of respondents in California agreed that the state should require all automakers to significantly reduce the emissions of greenhouse gases from new cars, light-duty trucks and SUVs.
- Seventy-five percent of California consumers think California should require automakers to

¹ "Gen Y Consumers Favor Hybrids, Connected Vehicles, Survey Shows," Bloomberg Businessweek, January 19, 2011: <http://news.businessweek.com/article.asp?documentKey=1376-LY0H011A74E901-4E5LG3148GLR6ICPO54552ODL9>

build fleets that include increasing numbers of zero emission vehicles, including electric and hydrogen fuel cell cars.

- Seventy-seven percent of Californians polled said there should be state requirements for oil companies to make cleaner fuels like hydrogen and electricity available for public consumption when there are enough cars in the area that use those fuels.

Recently the researchers at Deloitte LLP found that 59% of consumers born from 1980 to the early 1990s preferred alternative power in vehicles. Hybrid gasoline-electric vehicles were favored by 57% of respondents.²

This tells us that clean cars will likely be the choice for a majority of future consumers. California's Advanced Clean Car Program is a cost effective program that will insure future availability of these vehicles to meet this demand.

Fuel-efficiency, as a bi-product of stronger emissions standards, will ensure that these standards are cost effective for consumers. One of the great benefits of cleaner cars is lower gasoline costs. Last year, gasoline prices set a record high, averaging \$3.53 per gallon, pushing American household gasoline expenditures to a record, as well, reaching an average of over \$2,850 per year. Higher gas prices are eating up a bigger portion of consumer pocketbooks than in previous years with spending at the pump accounting for 8.2 percent of the typical family's household income, nearly matching last year's high of 8.3 percent.³ Just in the past two months, gasoline prices have risen more than 50 cents per gallon.

California has played a critical role in stimulating innovation in the automobile market by striking the right balance between the reducing pollution and setting achievable targets that push automakers to employ new technologies. In fact, some of these technologies are already being deployed to showrooms across the nation. Fourteen states and the District of Columbia adopted the previous round of updates to California's clean car standards and are poised to take action again. This will dramatically increase the benefits of a waiver.

A decade ago, when California first adopted innovative LEV/ZEV standards that would require hybrid and electric vehicles, the **automakers insisted it could not be done**, but California stood its ground. Today, there are thirty models available from all of the major automakers and the Prius has become a best-selling and profitable vehicle.

Automakers need clear market signals – like California's Advanced Clean Cars Program – that will help to align their product plans with future buyer preferences.

The updated ZEV component of achieving a 15 percent market penetration of zero emission vehicles by 2025 in the CARB proposal will play a central role in assuring that automakers reach the proposed national fuel economy standard of 54.5 mpg by 2025.

² Deloitte Study Release: <http://www.prnewswire.com/news-releases/deloitte-survey-gen-ys-embrace-of-hybrid-vehicles-may-be-auto-markets-tipping-point-137666268.html>

³ Associated Press: <http://www.businessweek.com/ap/2012-09-14/rising-gas-prices-crimp-americans-spending>

In order to achieve the long-term goal, electric vehicles will play an increasing important role, especially in California where air quality and gasoline costs are continually problematic. Leading the way on these ZEVs, California and the other Clean Car states (that may adopt the standard under Section 177 of the Clean Air Act) will spur steady progress in both technology and consumer acceptance. With these efforts, electric vehicle technology will become as commonplace as smart phones and tablets.

Consumers are counting on California to lead America to a cleaner, more sustainable, more affordable future. Consumers across America join me in encouraging the EPA to grant California Air Resources Board's request for a waiver and begin implementing its Advanced Clean Car Program. It's good for the environment, consumer pocketbooks, the auto industry, and our nation's independence.

P:\Documents\CFA\Statements Testimonies\EPA Waiver of CA Clean Car Program CFA Gillis Testimony 9 19 12.doc