

EPA Public Hearing

Consumers Union Testimony

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Hello, my name is Jack Barnett, research assistant for Consumers Union, the policy and mobilization division of Consumer Reports.

The gradual improvements to fuel economy and emission standards in place today are part of a practical and tested program to reduce fuel consumption, improve consumer choice, protect public health and save consumers trillions of dollars.

And time after time, our surveys have shown that consumers truly care about fuel efficiency in their cars and trucks:

- Our June survey found that 9 in 10 Americans want automakers to improve the fuel efficiency of their vehicles.
- And more than 7 in 10 want government to set higher standards.
- Fuel efficiency was the characteristic that had the most room for improvement in their vehicles – far outpacing other factors like horsepower, size and connectivity.
- And even as Americans gravitate toward trucks and SUVs, about 80% of them said they would want to see efficiency improvements in those larger vehicles.

Consumers are even willing to pay more for more efficient vehicles. Our analysis of the Model Year 2017-2025 standards found that consumers could expect net savings of \$3,200 per car and \$4,800 per truck over the life of their vehicle, even if gas prices remain low.

That analysis was based on technology and cost estimates published in the Technical Assessment Report, which found new technologies were being introduced and deployed in the vehicle fleets faster than previously estimated.

Since then, new research from ICCT, the group that helped uncover the Volkswagen diesel scandal, found that EPA's cost estimates may have been overstated by as much as 40%.

Further, automakers continue to innovate. Over the last several months, Mazda, Infiniti and others have announced new engine breakthroughs that could further boost efficiency and lower costs for consumers.

The benefits of strong standards would be even greater for lower- and moderate-income households, who are more sensitive to gas price changes and spend more fueling their vehicles than on the cost of the vehicle itself.

And as the tragic events in Southeast Texas make clear- you can't predict when and how natural and geopolitical events will affect gas prices in the future. Increasing the efficiency of cars and trucks helps insulate consumers from unexpected gas price spikes.

Increasing the efficiency of used cars, which account for 70% of all annual vehicles sales, is especially beneficial to low-and moderate-income households. Fuel efficiency remains steady over time, even as vehicles depreciate, allowing these households to benefit from higher efficiency at a lower cost.

Clean car standards deliver these benefits without harming vehicle affordability. A recent Consumers Union analysis found that entry-level new vehicle prices have remained steady for 20 years, after adjusting for inflation, even as vehicles have become more efficient and safer over that time.

And when looking across all new vehicles, prices have not risen dramatically due to efficiency and emissions standards. The business and investor organization Ceres found that most of the recent vehicle price increases were due to wealthier new car buyers choosing higher-trim vehicles with more luxury and convenience features.

Expanding efficiency across the fleet would also enhance consumer choice. Whether it's a family that needs a car, crossover, or SUV – or a small business owner in need of a pickup truck – Americans can choose the right vehicle for them, without burning their budget filling up the tank.

The benefits of stronger standards are clear. Rolling back the standards would hurt consumers, who would bear the burden of higher fuel spending and fewer efficient vehicle choices.

When EPA originally concluded its midterm review in January, it did so based on a large body of research, years of stakeholder engagement and extensive data from the auto industry. Since then, new developments, technologies and global pressures all suggest that automakers can meet even higher targets that lower consumer fuel spending and offer long term return on investment.

Robust standards are good for consumers, the auto industry has demonstrated that they can meet and exceed the existing targets, and federal agencies should ensure this progress continues.

Thank you.