

January 31, 2011

Lisa P. Jackson Administrator U.S. Environmental Protection Agency Mail Code 2822T 1200 Pennsylvania Avenue, N.W. Washington, D.C. 20460

Re. Docket No. EPA1

Dear Administrator Jackson:

As long-term investors, and as members of the Investor Network on Climate Risk (INCR), which represents over \$9 trillion in assets, we are writing to voice our strong support for EPA and NHTSA's efforts to regulate the medium- and heavyduty truck sector. Strict standards will catalyze investment in high efficiency truck technologies (thereby serving to retain the U.S. leadership position in this sector), save businesses money, promote energy security and reduce climate risk.

We commend EPA and NHTSA for the proposals under consideration, but by using existing and emerging technologies, we could realize even greater benefits in terms of economic growth and oil savings. We thus urge EPA and NHTSA to take into account all available technologies across the vehicle in setting standards, and to require a 35% reduction in fuel use by long-haul trucks pulling van trailers by 2017. We also urge the agencies to move aggressively to set standards for trailers for model year 2014, which will result in significant overall fuel savings for combination tractors.

Such standards would be important drivers of job creation and economic growth. For example, in a joint report,<sup>2</sup> the Union of Concerned Scientists<sup>3</sup> and CALSTART<sup>4</sup> concluded that a 38% reduction in truck fuel use would result in the creation of 124,000 new jobs by 2030, in every state.<sup>5</sup>

<sup>&</sup>lt;sup>1</sup> These comments are submitted for consideration by both EPA and NHTSA.

<sup>&</sup>lt;sup>2</sup> "Delivering Jobs; The Economic Costs and Benefits of Improving the Fuel Economy of Heavy-Duty Vehicles." UCS and CalSTART, July 2010

<sup>&</sup>lt;sup>3</sup> The Union of Concerned Scientists is a leading science-based nonprofit working for a healthy environment and a safer world.

<sup>&</sup>lt;sup>4</sup> CALSTART is a member-supported organization of more than 140 firms, fleets and agencies worldwide dedicated to supporting a growing high-tech, clean transportation industry. <sup>5</sup> <u>Id</u>. At 5.



Strict standards are also key to retaining the US leadership position in efficient truck manufacturing, and expanding job opportunities in that sector. We are currently the world leader in the development, production and use of energy efficient and hybrid trucks. Without strong standards in place, companies and investors will lack the requisite certainty to invest in the development and production of new technologies that will allow us to retain our leadership position and increase job growth. Job opportunities associated with this sector are significant. According to CALSTART, there are over 15,000 US jobs directly tied to hybrid and high efficiency truck technologies, and that number can grow to more than 55,000 jobs in 2020 with appropriate policies.6

Stricter standards will ultimately save businesses money, since advanced fuel efficient trucks will more than pay for themselves over a typical ownership period. The UCS/CALSTART report concluded that these benefits would accrue to the greater economy; as operating costs come down due to more fuel efficient trucks, business owners and consumers could invest that money in goods and services throughout the economy. According to the report, under stricter standards GDP would expand by \$10 billion by 2030.7

Strict standards are also critical to national energy security. We are increasingly dependent on trucking to transport goods and services, and so need to minimize our vulnerability to the rising price of fuel. Standards requiring the use of existing and emerging technologies would significantly reduce our dependence on oil. According to a UCS report, cutting fuel use using existing and emerging technologies would save a total of 100 billion gallons of fuel from 2010-2030.8

Finally, companies in a variety of sectors are increasingly interested in tracking Scope 3 emissions, including GHG emissions associated with transportation and freight movement, as part of their publicly disclosed GHG assessment. Thus, a growing number of companies support policies such as strict truck standards that would help them achieve their own GHG emission reduction goals as well as save money.

In sum, we urge EPA and NHTSA to require the reduction of fuel use from long-haul trucks pulling van trailers by 35% by 2017. Standards for all other trucks should be

<sup>&</sup>lt;sup>6</sup> "Policy Tools for Hybrid and High Efficiency Low Emission Trucks and Buses," Hybrid Truck Action Group, www.calstart.org

<sup>&</sup>lt;sup>7</sup> "Delivering Jobs; The Economic Costs and Benefits of Improving the Fuel Economy of Heavy-Duty Vehicles," Union of Concerned Scientists, CALSTART, July 2010 at 5. <sup>8</sup> "Climate 2030," UCS; Cleetus, Clemmer and Friedman 2009.



set based on the technologies available to improve fuel economy across the entire vehicle. Such standards would help get our economy back on track by creating jobs and catalyzing investment in high efficiency truck manufacturing, as well as promoting energy security and reducing climate risk. It is time to move forward aggressively with policies that will optimize private investment in a low carbon economy.

Sincerely,

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cc: David L. Strickland, Administrator, National Highway Traffic Safety Administration Carol Browner, Assistant to the President for Energy and Climate Change Gary Guzy, Deputy Director and General Counsel, White House Council on Environmental Quality