

March 22, 2020

BICEP Network Members:

Adobe Systems Inc.
Akamai Technologies
Annie's Inc.
Autodesk
Aveda
Avocado Brands
Ball Corporation
Ben & Jerry's
Biogen
Burns & McDonnell
Burt's Bees
Burton Snowboards
Clif Bar & Company
CommonSpirit
Danone North America
DSM
eBay Inc.
Eileen Fisher
Etsy
Fetzer Vineyards
Gap Inc.
General Mills, Inc.
Hackensack Meridian Health
Happy Family Brands
IKEA Retail U.S.
Impossible Foods
Indigo Agriculture
JLL
Kaiser Permanente
KB Home
The Kellogg Company
L Brands
L'Oréal USA
Levi Strauss & Co.
LinkedIn Corporation
Lyft
Mars Incorporated
Mass General Brigham
McDonald's Corporation
Microsoft Inc.
Nature's Path Foods
Nestlé USA
New Belgium Brewing
Nike, Inc.
Outdoor Industry Association
Owens Corning
Patagonia, Inc.
PayPal
Portland Trail Blazers
REI
Salesforce.com, Inc.
Schneider Electric
Seventh Generation
SFO
Sierra Nevada Brewing
Squaw Valley Alpine Meadows
Starbucks Corporation
Stonyfield Farm
The North Face
Tiffany & Co.
Timberland
Unilever
Vail Resorts
VF Corporation
Vulcan, Inc.
Workday
Worthen Industries

Administrator Michael Regan
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Acting Administrator Steven Cliff
National Highway Traffic Safety Administration
1200 New Jersey Avenue, SE
Washington DC, 20590

Re: Light-Duty Vehicle GHG and Fuel Economy Standards

Dear Administrator Regan and Acting Administrator Cliff,

As major U.S. businesses representing nearly 600,000 American jobs and over \$300 billion in annual revenue, we are writing to voice our support for strong fuel economy and greenhouse gas (GHG) emissions standards. Strong standards represent a critical opportunity to strengthen our economy by creating jobs, benefiting the U.S. auto industry, reducing fuel costs for businesses and consumers, and reducing GHG emissions.

We were pleased to see President Biden's directive to revisit the Trump Administration's rollback of the fuel economy/GHG standards through Model Year 2025, as well as its preemption of California's waiver. We recognize that California's waiver authority is a major driver of industry innovation and also protects states' rights to ensure clean air for their citizens. As businesses with footprints across the country, the availability of fuel-efficient and clean vehicles in every state is important to companies in the BICEP network.

We urge you to adopt vehicle standards that align with climate science, which will require taking aggressive action now. The 2018 IPCC Special Report¹ concluded that, in order to avoid the worst impacts of climate change, we need to reach net-zero emissions by 2050. Thus, standards should be consistent with a pathway to 100% zero-emission vehicle (ZEV) sales of light-duty vehicles by 2035 at the latest. Given that GHG emissions are cumulative, we need to ensure adequate near-term reductions of emissions from internal combustion engine vehicles, via strong fuel economy and GHG standards, in the interim. This is particularly important in light of a recent IEA analysis² finding that SUVs, which account for nearly half of U.S. vehicle production, were the second largest cause of the global increase in GHG emissions in the last decade.

In addition to being a key strategy in fighting climate change, strong standards

¹ <https://unfccc.int/topics/science/workstreams/cooperation-with-the-ipcc/ipcc-special-report-on-global-warming-of-15-degc>

² <https://www.iea.org/commentaries/carbon-emissions-fell-across-all-sectors-in-2020-except-for-one-suv>

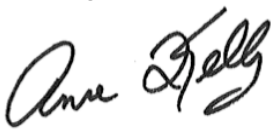
represent a critical opportunity to strengthen the U.S. economy and create jobs – both by benefiting the auto industry and by ensuring fuel cost savings. An analysis³ commissioned by Ceres and produced by independent automotive industry analysts found that strong standards benefit the auto industry, particularly suppliers, who employ over 2.5 times more Americans than automakers.

Clean vehicles will also reduce our dependence on oil, insulating businesses from fuel price volatility, and ensuring fuel cost savings for businesses and consumers. In turn, these savings will increase spending on non-energy goods and services, which employ more people per dollar of output than the oil and gas sectors.

Finally, an independent affordability analysis⁴ refutes automakers' claims that strong standards make vehicles unaffordable for median and low-income consumers. While today's new vehicles are certainly less affordable for these consumers, that is not due to the standards, which represent only a modest portion of upfront costs (and of course, ultimately provide net benefits). Instead, that reflects the growing income disparity in the U.S. as well as automakers' decision to target affluent buyers by emphasizing luxury features (the average buyer of new vehicles, whose income is 175% of the median U.S. household, is clearly willing to pay for those features as well as fuel-efficient technologies). As a result of this increased focus on high-end vehicles, an increasing number of median and lower-income consumers are migrating to the used car market, where strong standards ensure the availability of fuel-efficient vehicles (and, eventually, electric vehicles), and consumers pay less for clean vehicle technologies. Thus, rather than being disadvantaged by strong standards, median and low-income households would see even greater benefits, which would help address current equity concerns in the sector.

As successful American businesses, we know the importance of recognizing and seizing opportunities. These rulemakings represent a rare opportunity to strengthen our economy, save consumers and businesses money, create jobs, and mitigate climate risk. We urge the adoption of fuel economy and GHG standards that align with climate science and will speed the transition to electrification. Thank you for your consideration of these comments.

Sincerely,



Anne Kelly

On behalf of Business for Innovative Climate and Energy Policy [BICEP]
Vice-President, Government Relations

³ <https://www.ceres.org/resources/reports/economic-implications-current-national-program-v-weakened-national-program-2022>

⁴ <https://www.ceres.org/resources/reports/affordability-vehicles-under-current-national-program-2022-2025-detroit-three>