

Executive Summary  
Testimony of Forrest McConnell,  
President, McConnell Honda & Acura, Montgomery, Alabama  
on behalf of the National Automobile Dealers Association  
Before the House Energy and Power Subcommittee  
“EPA's Greenhouse Gas Regulations and Their Effect on American Jobs”  
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**America's auto dealers support a single national fuel economy standard and increases in fuel economy that make sense to consumers.** Our primary concern is not necessarily over the stringency of the fuel economy standard, but rather the overall structure of the fuel economy regulations that govern automobiles today, which currently emanate from three different programs established by three separate government agencies. A single national standard will more effectively increase fuel economy, enhance economic growth, protect passenger safety, and protect the environment. Unless and until consumers actually purchase new vehicles, none of these benefits will be realized.

**California regulators should not set national fuel economy policy.** National fuel economy policy should be set by Congress and not by CARB. California regulators wrote their fuel economy regulation solely for the California auto market. By law, CARB does not consider the impact of its fuel economy rules on job loss, consumer affordability or choice, or highway safety, outside of California.

**CARB's regulation of fuel economy/CO<sub>2</sub> is very different from the CAFE program.** California's regulation is similar to the CAFE program in one way: both regulate fuel economy. The methods, structure and stringency of the programs, however, are very different.

**In California states, CARB's regulation could pose special challenges for auto dealers and consumers.** Unlike the CAFE program based on a nationwide fleet fuel economy average, CARB's regulation requires that the fleet averaging be conducted on a state-by-state basis in each of the states that has adopted California's rules or in a pool of all the “California” states. If consumers do not buy the “right” mix of vehicles from a regulated automaker in each California state, then that automaker must either ration or stop selling certain vehicles with lower mileage ratings, or force dealers to take delivery of more vehicles with higher mileage ratings – *without regard to actual consumer demand in that state.*

**Under explicit direction from Congress, NHTSA has the tools to strike the proper balance for a national fuel economy program.** Unlike the Clean Air Act, the CAFE program was written by Congress specifically to regulate fuel economy. While Congress mandated that fuel economy be raised to its “maximum feasible level,” Congress also recognized that any fuel economy increases be tempered by its impact on job loss, consumer demand, and consumer choice.

**State regulation is completely unnecessary and ineffective because the vigorous CAFE program Congress designed, coupled with EPA regulation of vehicle air conditioners, results in approximately the same amount of fuel saved and greenhouse gases reduced.**

**Congress must return to one true national standard for the reduction of CO<sub>2</sub> and the increase of fuel economy.** The statute Congress designed provides a regulatory program within NHTSA that provides consistent increases in fuel economy with flexibility to consider the cars consumers are willing to buy. The faster that we can turn over the nation's aging auto fleet the faster we will increase energy security, enhance passenger safety, and improve environmental quality, and generate the economic activity that is necessary for restoring jobs in the automotive industry. Even after the Great Recession, auto retailing is still a significant percentage of our national economy. As a practical matter, any sustainable economic recovery must go through automotive showrooms across the nation.