

**Testimony of Forrest McConnell
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Montgomery, Alabama
on behalf of the
National Automobile Dealers Association
Before the
House Energy and Power Subcommittee
March 1, 2011**

“EPA's Greenhouse Gas Regulations and Their Effect on American Jobs”

Mr. Chairman, Ranking Member Rush, my name is Forrest McConnell. I am President of McConnell Honda & Acura of Montgomery, Alabama. I am testifying on behalf of National Automobile Dealers Association.

Today, there are three different fuel economy programs administered by three different agencies under three different sets of rules, pursuant to three different laws. America's auto dealers support a single national fuel economy program under CAFE beginning in model year 2017 as the best way to increase fuel economy, protect jobs, preserve passenger safety, and reduce vehicle tailpipe CO₂ emissions.

Congress did not intend fuel economy to be regulated by NHTSA, EPA, and California together when it passed the bipartisan Ten-in-Ten Fuel Economy Act in 2007. It is paramount for Congress to reassert its primacy over this area and return the still-recovering auto industry to a single national fuel economy standard.

There are numerous advantages to this approach:

- First, its terms are set by Congress.

- Second, only CAFE mandates the balancing of all of the following important considerations when setting a fuel economy standard: jobs, safety, customer choice, and customer acceptability.
- Third, CAFE was written specifically to regulate fuel economy. The Clean Air Act, for all its virtues, was not. California’s regulation was written also to regulate fuel economy – but only in California. Its application in other states results in what EPA Administrator Jackson calls “a patchwork of state standards.”
- Fourth, a single national fuel economy program is – by definition – uniform and consistent, unlike what we have today.

While the next round of fuel economy rulemaking will not take effect until model year 2017, these rules are being drafted now in Sacramento and Washington. As a dealer, I am worried about the challenges California’s regulation could impose on my industry and our customers. According to recent article in the New York Times, a California official has indicated that CARB would implement its patchwork regime in the “California states” in the next round of rulemaking if necessary. This would be problematic for auto dealers and customers because – unlike CAFE – CARB’s regulation would distort the auto market and do nothing additional to decrease greenhouse gas emissions or improve fuel economy on a national basis.

California’s approach to fuel economy regulation involves loopholes, exemptions, and market distortions, and does not balance national factors. CAFE has none of these defects. Congress needs to reaffirm that this body sets national fuel economy policy, not California regulators.

Mr. Chairman, it is doubtful that Congress would ever enact three competing fuel economy programs. State regulation is unnecessary. Regulation of tailpipe CO₂ emissions by EPA is redundant, as the only way to reduce such emissions is to increase a vehicle's fuel economy, which is what CAFE regulates.

America's auto dealers support a single national fuel economy program and increases in fuel economy that make sense to customers. It is important that the *structure* of the fuel economy program is sound, so that the *stringency* of the fuel economy standard will be correct. That structure that must leverage – not frustrate – consumer demand.

Unless customers actually buy new vehicles, the environmental and economic benefits will not be realized. I urge Congress to return to a single national fuel economy standard under CAFE to avoid that risk.

Thank you.