November 22, 2010

Electronic Submission: www.regulations.gov

The Honorable Lisa Jackson
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

The Honorable David Strickland
Administrator
National Highway Traffic Safety Administration
1200 New Jersey Ave., SE
Washington, DC 20590

Re: EPA and NHTSA Proposed Rule: "Revisions and Additions to Motor Vehicle Fuel Economy Label"
Docket ID No. EPA-HA-OAR-2009-0865; NHTSA-2010-0087

Dear Administrators Jackson and Strickland:

The Specialty Equipment Market Association (SEMA) welcomes the opportunity to provide comments on a proposed rule to update the new vehicle fuel economy label. SEMA supports efforts to provide consumers with comprehensive information about fuel consumption and carbon dioxide (CO2) emissions along with other vehicle information such as safety and utility characteristics. SEMA specifically endorses the "Label 2" approach for conveying the fuel economy information.

SEMA represents the nearly $28 billion specialty automotive industry. It is comprised of about 6,500 mostly small businesses nationwide that manufacture, rebuild, distribute and retail parts and accessories for motor vehicles. The products produced by our member companies include performance, functional, restoration and styling-enhancement products for use on all of the new vehicles which are subject to the labeling rule. In fact, many SEMA members market products which increase fuel mileage, reduce CO2 emissions and provide other environmental benefits.

To provide context, SEMA supported the 2007 energy legislation mandating a dramatic rise in the Corporate Fuel Economy (CAFE) standards for passenger cars and light trucks to an industry average of 35 miles per gallon by 2020. SEMA endorsed the 2009 agreement between the federal government and California to speed-up the time-table set under the 2007 law for MY 2012-2016 cars/trucks and to tie CAFE with CO2 emissions. SEMA also backed recent revisions to EPA tests for calculating the fuel economy of cars and light trucks in an effort to better reflect "real-world" driving conditions.

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With respect to the rulemaking, SEMA urges the EPA and NHTSA to adopt the "Label 2" option for updating the fuel economy label. The Label 2 approach would expand the information that is currently provided and incorporate graphics, increased type size and other visual tools to help focus attention.

SEMA opposes the "Label 1" letter grade approach as too simplistic. In fact, consumers could disregard the information given its limited value. SEMA notes the following in support of this position:

- The letter grade does little to distinguish between vehicles within a class. It places undue emphasis on electric and hybrid cars and ignores the fact that consumers purchase automobiles to address a wide variety of needs beyond electric/hybrid powertrain characteristics. Once consumers identify this major flaw, the labels may no longer be a focus of attention.
- The following example underscores the letter grade's limited value. A vehicle with a combined high mileage rating of 39 would receive a B+ while a vehicle with a combined high mileage rate of 23 would receive a B-. For the general public, a nearly 59% mileage differential would seem dramatic, but under the EPA/NHTSA scoring system, the vehicles would be comparable within the same grade category.
- The new car buyer demographic is complex. The consumer may be single, married, have a family, etc. Additionally, the car owner's needs will vary, from short trips around the city to family vacations pulling a trailer. These are real-world issues the new car buyer is considering. The buyer will not be coaxed into buying a small electric compact which has an "A+" label when their demographic needs are for a mid-size sedan or small SUV.
- Most new car buyers will be comparison shopping within a specific vehicle segment. The raw data (ex: 25 vs. 28 combined high mpg) is not difficult to understand and makes for a better-educated consumer. When purchasing a specific vehicle, a car which makes several miles per gallon better fuel mileage than another may be the deciding factor. Conversely, those same two cars could receive an identical grade (ex: "B") since the EPA and NHTSA are trying to compress a 99 digit mileage-rate spread (from 12 to 111 mpg) into a four letter grading system: A-D. Providing the numbers 25 vs. 28 has a better chance of achieving the intended goal of the consumer education program, increasing the nation's vehicle fleet fuel mileage and reducing CO2 emissions.

Thank you for your consideration of these comments and feel free to contact me if you have any questions.

Sincerely,

Stuart Gosswein
Sr. Director, Federal Government Affairs
Specialty Equipment Market Association (SEMA)