NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

PUBLIC FORUM

CORPORATE AVERAGE FUEL ECONOMY

DRAFT ENVIRONMENTAL IMPACT STATEMENT

NTSB

429 L'Enfant Plaza, SW, Washington, D.C. 20594

August 4, 2008

(Revised Transcript)

BEFORE:

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C O N T E N T S

PROCEEDINGS

MR. KRATZKE: I'd like to welcome you to our public hearing on the draft environmental impact statement for our proposed corporate average fuel economy standards or CAFE rule for cars and light trucks for model years 2011 through 2015.

Before I start a brief overview of some ground rules, I'd like to ask you to please ensure that your cell phone is set to vibrate or silent. It can be distracting, especially if your ring tone is unique.

As you can see, we have nearly 60 people registered to present their thoughts and share their perspectives on this topic with us. So we'd like to get started right away. If you do the math of five minutes per speaker times 60, we have five hours worth of presentations.

Just so that it's clear to everyone, speakers will present in the order in which they registered with us. If you have not registered, we'd like to ask you to do so at the back of this room. We want to hear from everyone who has thoughts to share with us now.

If a speaker is not present for their scheduled time, they will be moved to the end of the list. They will be allowed to speak, but we are going to move ahead as quickly as we can to make sure we hear from everyone.

To begin, I'd like to introduce myself and the panel here to listen to your comments today. I am Steve Kratzke. I am the associate administrator for rulemaking for the National Highway Traffic Safety Administration. And my office is responsible for performing the environmental analysis for this rulemaking, and for doing the rulemaking on

the corporate average fuel economy standards for those years.

On our panel today besides me we have four people who are much more aware than I am of our proposed rule and the draft environmental impact statement. And I'd like to introduce them.

On my right I have Julie Abraham, who is the director for our office of international policy, fuel economy, and consumer programs. Ms. Abraham led the effort to both put out our proposed standards for 2011 through 2015, and this environmental impact statement.

On my left I have Mr. Mike Savonis, who is the team leader for the CAFE rulemaking environmental impact statement team. Mr. Savonis is the one who has orchestrated and coordinated this large effort.

On the far right of the table is Ms. Carol Hammel Smith, who is a program analyst for NHTSA in our CAFE office. She specializes in environmental analysis. And on the far left we have Ms. Jessica Wilson who is an attorney in our chief counsel's office.

So we feel like we have the people here who really understand what we have put forward as our analysis, and we would like to hear the reactions of the interested public to that proposed analysis.

Our schedule for the day is going to begin with Ms. Abraham giving a brief overview of our environmental impact statement project. And then we are going to spend the rest of the day hearing from you.

We are going to have lunch from 12:30 to 1:30, and we will have breaks from

time to time so that people don't have to run out and miss what's here.

Since we have a lot of people who would like to speak, I am going to call people up in groups of 12 to be seated near the podium. This will allow us to make a quicker transition when people are speaking.

We have a court reporter today here with us in front of the podium who is going to prepare a verbatim transcript of the testimony. The transcript will be available in our public docket.

We are going to videotape the proceedings as well, and so we ask for both of these sources so that when you begin to speak, please state your name and speak clearly for the record so that we can correctly identify you.

Due to the number of speakers, your comments are going to be limited to five minutes. We're going to notify you with a green card which will be held up in back when it is okay for you to start. And we will indicate to you when you have one minute remaining of your time by holding up a yellow card, and giving an audible remark of one minute.

When the five minutes are completed, we will hold up a red card and give an audible statement of time's up. At that point, we would appreciate it if you would wrap up your comments. We'd like to give everyone a chance to present today, so we're not going to be granting extensions of the five minutes of allotted time.

I would like to make clear that we're in the middle of a comment period. We want all of you to give us full comments where you can make sure that we have a record of what you believe needs to be conveyed. That is due in two weeks, on August 18th.

Today is for you to have five minutes to talk to the people who are going to prepare the environmental impact statement, and make sure that we understand your major points. We need to hold to that five minutes.

As this is our chance to hear from you, since you've already had the opportunity to read our hundreds of pages draft environmental impact statement, there aren't going to be questions and answers in this hearing. We want to hear from you.

We'd also like to thank you for your interest in this issue, and for taking the time out of your schedules to come to this hearing. We are really looking forward to hearing your perspectives, your suggestions, and your views of what are the most important things, good, bad, or just not covered in our draft environmental impact statement.

And with that, I would like Ms. Abraham now to give a brief overview of the draft environmental impact statement. I thank you.

MS. ABRAHAM: Thank you, Mr. Kratzke, and good morning everybody. I would like to begin by reviewing briefly the recent steps that brought us to this hearing.

In March and in April, NHTSA informed the public through notices in the Federal Register regarding our plans to prepare the draft environmental impact statement or for short, draft EIS.

First, on March 28th, we published a notice announcing our intent to prepare an EIS and requesting scoping comments. One month later we published a supplemental notice of public scoping.

The purpose of these notices was to request public views and comments on

the scope of the agency's analysis, including the impacts and alternatives that the draft EIS should address, as well as to inform NHTSA of any available studies that would assist us in the impact analysis of global climate change and other issues.

On May 2nd we published our notice of proposed rulemaking, proposing fuel economy standards for model years 2011 through 2015 for both passenger cars and light trucks.

Under the proposal the average fuel economy for cars would begin at 31.2 miles per gallon for model year 2011, an increase to 35.7 miles per gallon for model year 2015; while the average fuel economy for light trucks would begin at 25 miles per gallon for model year 2011 and increase to 28.6 miles per gallon for model year 2015.

The agency also sought comment on a wide range of alternatives. On July 2nd we published a notice for this public hearing, and one day later, we published a notice announcing the availability of the draft EIS.

The draft EIS reflects our careful review and consideration of public comments that were provided, as well as the suggested studies. It compares the potential environmental impacts of the NHTSA's proposed standards and reasonable alternatives.

In developing its range of alternatives, NHTSA identified alternative stringencies that represent the full spectrum of potential environmental impacts. So for each of the alternatives, the draft EIS analyzes direct, indirect, and cumulative impacts, and analyzes impacts in proportion to their magnitude.

Based on climate models and other methods, the document analyzes the air

pollutants, fuel savings, and greenhouse gas emissions for all alternatives. It also calculates the corresponding changes in sea level, precipitation, and temperature. In addition, it analyzes cumulative impacts on resources, ecosystems, human health, industries and settlements, among other things.

Following this public hearing, there will be an additional two week period as Mr. Kratzke indicated for interested parties to submit written comments on the draft EIS. I invite you to do so. This will ensure that we have the full benefits of your views and concerns.

The next steps will be our issuance of a final environmental impact statement, followed by a final rule for CAFE standards.

In conclusion, I and the rest of the panel look forward to hearing from you today. Thank you.

MR. KRATZKE: Thank you, Ms. Abraham. I would now like to call up the first 12 registered speakers and I would apologize in advance if I mispronounce your name. As someone named Kratzke, consonants are pretty tricky, so I will apologize.

The first 12 are, Julie Becker, Adam Lee, Dennis McGinn, David Westcott, Mark Cooper, Lena Pons, Eliza Berry, Ann Mesnikoff, Doug Molof, Matt Dernoga, Jazzlin Allen, and Sam Blodgett. So with that, I'd like to invite Ms. Becker to begin.

MS. BECKER: Good morning. My name is Julie Becker, and I am the vice president for environmental affairs at the Alliance of Automobile Manufacturers. The Alliance --

(Discussion off the record.)

MS. BECKER: My name is Julie Becker. I am the vice president for environmental affairs at the Alliance of Automobile Manufacturers.

The Alliance is a coalition of 10 car and light truck manufacturers, including the BMW Group, Chrysler LLC, Ford Motor Company, General Motors, Mazda, Mercedes Benz USA, Mitsubishi Motors, Porsche, Toyota and Volkswagon. We represent the largest group of companies directly impacted by NHTSA's CAFE rulemaking.

The Alliance shares with all Americans concerns about energy security and climate change. Last year Alliance members supported and they continue to support the Energy Independence and Security Act of 2007, a tough new national energy law that raises fuel economy to 35 miles per gallon by 2020, a 40 percent increase.

Higher mileage means low carbon, lower carbon dioxide emissions. Under the energy law, the United States auto industry will dramatically reduce CO_2 by 30 percent, which makes us the first industry to commit to such challenging CO_2 reductions.

The Alliance submitted in depth comments, and it's a scoping plan for this draft EIS and will submit comments further on August 18th. Today, I would like to recap several key issues that we believe NHTSA needs to address before it completes its work on the EIS.

The first issue relates to NHTSA's inclusion of a no action alternative in its array of options. In our scoping comments, the Alliance noted that the 2007 energy bill does not allow for a no action option. Instead the energy bill sets a clear trajectory for

increasing fuel economy standards for the span of a decade, and requires at least steady progress toward a 35 mile per gallon goal in model year 2020. We do not think it is appropriate for NHTSA to continue to rely on no action as its starting point.

The next issue relates to NHTSA's ability to defend it's position in ongoing or future litigation. Let me explain. NHTSA petitioned the Ninth Circuit to review En Banc the Center for Biological Diversity decision. One question before the En Banc panel would be whether the reviewing Courts lack the power to order the preparation of an EIS as opposed to ordering the agency to reconsider whether an EIS is appropriate.

The En Banc petition has not yet been acted upon. Since the position NHTSA took there was sanctions by the solicitor general. It would seem that NHTSA needs to reserve its right not to perform an EIS at all.

In order to preserve that right, NHTSA should also produce an environmental assessment, a finding of no significant impact for the current rulemaking. If NHTSA decides to proceed in any other manner, it risks wounding its own En Banc petition. So it is critical for NHTSA to take this approach.

In its comments, the Alliance noted that NHTSA already considers environmental impact and energy conservation when it sets CAFE standards. Therefore, CAFE rulemaking is the functional equivalent of performing an EIS.

Under the functional equivalence doctrine, an agency need not prepare an EIS if it has already undertaken the functional equivalent of an EIS as part of its rulemaking process. However, in its draft EIS for the CAFE rulemaking, NHTSA takes the position

that it cannot rely on the functional equivalence doctrine.

In our view there is a solid argument for the functional equivalence doctrine here, and NHTSA should reconsider its position on this issue. At a minimum, NHTSA should assert the functional equivalence doctrine as an alternative basis that supports its final course of action.

I have three additional points to make before concluding. First, the draft EIS appears to be setting a significant precedent regarding analysis of the trans-boundary effects.

On page 1-11 of the draft EIS NHTSA argues it should analyze trans-boundary effects of the CAFE standards quoting a 1997 CEQ guidance document stating that agencies must analyze such effects underneath them. The statement seems directly at odds with judicial precedent and agency precedent, and we would like for NHTSA to reconsider this.

Second, the draft EIS incorrectly disregards the environmental impact of the fleet turnover effect, and this was explained in our scoping comments. The Alliance asks NHTSA to consider the fleet turnover effect, and the air quality impacts that will result from heightened CAFE standards.

Instead, NHTSA is treating this as an economic impact and an indirect one, which we don't think is appropriate.

Finally, I would note that our scoping, in our scoping comments, we asked NHTSA to consider how to construe the term ratably, a term that the Energy Dependence and Security Act of 2007 makes central. And so we would ask you to reconsider that issue

as well.

Thank you for this opportunity to testify.

MR. KRATZKE: Thank you, Ms. Becker. Mr. Lee.

MR. LEE: Members of the committee --

(Discussion off the record.)

MR. LEE: Thank you. My name is Adam Lee. I am president of Lee Auto Malls, which is located throughout the State of Maine. I am a third generation car dealer. I have been in this business my whole life.

Our company was founded in 1936 by my grandfather, with a small Chrysler dealership. Today, we have 12 new and used car dealerships throughout the State. We are the number one seller of hybrid cars in the State of Maine. We are also the largest Dodge and Jeep dealer in the State.

Last year we sold approximately 7,000 new and used cars. I am not an economist, nor am I a scientist. I don't know how to build a car, or run an automobile plant. I've never even changed the oil in my car. However, for most of my life I have been selling new and used cars and trucks. I still talk to customers every single day.

I came to Washington today because when I listen to the news I sometimes feel like I must be the only person in the car industry actually talking to real customers. Here is what I hear every single day.

How long is the wait for a Prius. Do you have any Honda Fits in stock? Why doesn't Chrysler offer a car that gets better than 30 miles per gallon? Or the other

types of calls I get, what's my Tundra worth? Can I get rid of my Suburban?

The answer to these questions are simple. The wait for a Prius is six months. I have no Fits or Yaris. Your Suburban is not worth enough for you to be able to trade out of it, because generally you owe more than it's worth.

Consumers want to buy vehicles that get more than 30 miles per gallon. And I'm not just talking hybrids. Car dealers have people waiting for good old fashioned small cars that get good fuel economy. They've been demanding them for years with very few choices, and almost no choices from Detroit.

This is not a new situation, but with gas at $4 per gallon, the demand is overwhelming and the lack of choices is dramatic.

Our big Chrysler dealership in Portland, Maine, has about half as many sales people as we had around a year ago. We have fewer people working in the office, fewer people working in our service department. They are no longer employed because we don't have the cars to sell that people want to buy.

This means fewer sales people frequenting the corner store, the dry cleaners, the hardware store. It's bad for the economy. General Motors just announced a loss of $15.5 billion. That's for the quarter. Ford just announced an $8.7 billion loss. Standard & Poor's just lowered to (indiscernible) the three's credit rating to junk status, and even Toyota who can do no wrong is shutting down its truck plant in Texas for three months. What they are doing is not working.

So how did we get here? In 1975 Congress mandated our first fuel economy

standards. Unfortunately, in the last 20 years, these standards have not changed a bit. NHTSA could and should have done more. I believe our lack of progress is largely a regulatory failure.

Anyone who watches the auto industry knows that the manufacturers have never done anything in the name of safety or the environment unless they are forced to, whether it's seat belts, air bags, catalytic converters, Detroit has always insisted that they could not pay for them, until it becomes mandated, at which point you would think they invented the word unleaded gas.

NHTSA plays a real role in determining what our fuel economy will be. You analyze the impact of CAFE on Detroit. And I think that your assumptions are based on incorrect data. Gas costs $4 a gallon, not $2. The new technologies are coming down in price. Consumers have changed their habits and their view of the future.

Now is the time for NHTSA to act. Don't drag your feet. Don't look to Detroit for answers. Look to the American consumers. They are demanding change. They've cleaned our shelves of small cars, and they are desperate to trade in their gas guzzlers.

I've been selling Prius' since they came out seven years ago, and since that time every Toyota dealer I know has been selling them for list price and making a very nice profit. Demand is so strong, people have stopped negotiating. This is a car dealer's dream, a car people want so badly they don't negotiate.

It's frustrating to have a car sell this well and not have enough of them. I can't

blame Toyota for having a hit, however, I can blame Detroit for not having one. If you want to know how bad it really is, read Automotive News. This is an editorial from two weeks ago.

It's distressing that some auto makers are back in Washington whining about meeting new fuel economy standards at a time when their customers are demanding vehicles that exceed the regulatory mandates. These cars that Detroit bet their future on and mine are not selling.

For over 70 years my family has been selling American made cars. I am a third generation running this family business. My 11 year old son thinks he will do what his father, grandfather, and great grandfather did to earn a living, sell American cars. Will there be anyone left still making cars in Detroit? We need your help. Thank you.

MR. KRATZKE: Thank you, Mr. Lee. Mr. Dennis McGinn.

MR. McGINN: Good morning. I'm retired Admiral Dennis McGinn. Mr. Kratzke, members of the panel, thank you for the opportunity to share my views which are based on over 35 years of service to the nation in the United States Navy, and more recently as a senior executive with extensive experience with the Science, Technology of Energy, Transportation and the Environment.

The EPCA requires the Secretary of Transportation to establish average fuel economy standards and when setting "maximum feasible" fuel economy standards, the secretary is required to, "consider technological feasibility, economic practicability, the effect of motor vehicle standards of the government on fuel economy, and the need of the

United States to conserve energy."

Today I'd like to focus on that last requirement, and specifically on the multiple national security costs of our present level of oil dependency. In the interest of time, and in consideration of the many witnesses schedule to appear before you, I will give you my bottom line up front.

Our continued dependency on oil constitutes a clear and present danger to our national security, economically, militarily, and diplomatically. These dangers involve real, quantifiable costs, and these costs do not appear to be adequately included in your assumptions for the proposed fuel economy rule.

As a result, your draft environmental impact statement is at best incomplete, and more importantly, fundamentally flawed by its reliance on outdated data and unsupported assumptions about the real costs of this nation's ever growing consumption of oil. Erroneous assumptions based on old data inevitably leads to fundamentally flawed conclusions.

Ignoring these costs is just not a mistake. It is a threat to our national security because it precludes fuel savings our citizens and nation critically need at this moment in our history.

Our burgeoning demand for oil weakens U.S. diplomatic leverage around the globe, burdens our armed forces, and leaves the United States' economy vulnerable to unpredictable price spikes and an ever growing trade imbalance.

Taken together, these dynamics create a daunting national security challenge

that must be met immediately. With oil at over $130 a barrel, over a million dollars each minute is draining out of our economy, increasing our trade deficit, creating huge opportunity costs, and most significantly, putting money in the hands of regimes that are hostile to our interests.

OPEC recently warned that prices, oil prices would experience an unlimited increase in the event of a military conflict involving Iran over its nuclear program. A very real consequence of such confrontation is that Iran, in a bid to preempt or respond to U.S. military action would close the Straight of Hamus through which 20 percent of the world's oil supply passes. The impact would be swift and sure. Unprecedented spikes in oil costs, and a deep and lasting effect on the U.S. and world economy.

The ongoing impact of our oil dependency already threatens our national security economically. We lose over $35 billion from our economy every month, and oil imports now account for over half of our annual trade deficit. We are exposed on a daily basis to oil price shocks and supply disruptions.

Regardless of how they are caused, by global market dynamics, natural disasters, terrorist attacks, or politically motivated oil embargos, the trends of our growing oil demand in a business as usual mode will make those price shocks much more frequent, deeply felt, and longer lasting.

In addition, there are national security costs and risks involved in addressing climate change. Last year top retired three and four star military leaders in a report from the Center on Naval Analysis, global warming poses a "serious threat to America's national

security, acting as a threat multiplier for instability in some of the world's most volatile regions, adding tension to stable regions, worsening terrorism, and likely dragging the U.S. into fights over water and other resource shortages.

Congress set a floor and not a ceiling on CAFE standards. Your rulemaking is intended to take a host of factors into account to set the right level. Throughout our history Americans have successfully met critical challenges in both war and peace. Building on a new, clean energy economy has become one of the greatest challenges and opportunities of our time.

The key questions for all of you and your colleagues in making this rule as you go forward are, how will the actions on CAFE by this agency and this administration be viewed in 10 or 20 years? Will we be able to look back and say that a bold, comprehensive, and enlightened mandate produced substantial oil savings, increased our national security, and helped our economy and significantly reduced carbon emissions.

We have less than 10 years to change our oil dependency course in significant ways. Our nation's security depends on the swift, serious, and thoughtful response to these challenges, and by the significant impact your deliberations rulemaking will have on carrying out the intent of Congress and to the benefit of the American people. Thank you, Mr. Kratzke, and members of the panel.

MR. KRATZKE: Thank you, Admiral McGinn. Mr. David Westcott.

MR. WESTCOTT: Good morning. My name is David Westcott. I'm chairman of the NADA regulatory affairs committee, and a Buick, Pontiac, GMC, Isuzu,

Suzuki dealer in Burlington, North Carolina.

NADA represents 19,000 franchise automobile and truck dealers who sell new and used vehicles in this country. While together we employee in excess of 1,100,000 people nationwide, a significant number are small businesses as defined by the SBA.

Before I get specific in my comments on the draft environmental impact statement, permit me to give you a feel for what is going on in the new vehicles sales marketplace. July was one of the worst months in the history in the last two decade in new vehicle sales.

This was due to a number of factors, including the sub-prime lending crisis that has now hit our industry. Consumers have less cash. Consumer debt is up. Financial institutions are much tighter on credit. Negative equity for consumers wanting to trade is at an all time high, often as much as $15,000 per vehicle. There are very few trade-ins on new vehicles. And used vehicle sales are far outnumbering new vehicle sales.

I urge you to keep these market realities in mind as you proceed with considering the testimony of everyone today and the issues you have to decide.

In the past, NHTSA has consistently and adequately assessed and accounted for the potential environmental impacts of its proposed CAFE standards. NADA therefore disagrees with the 2007 Ninth Circuit Court of Appeals decision in Center for Biological Diversity v. NHTSA, which reviewed NHTSA's '06 reform light truck standards, and suggests that it is incumbent upon NHTSA to conduct a formal EIS in conjunction with its model year 2011-2015 proposal, CAFE proposal.

I understand that NHTSA has petitioned the Ninth Circuit for rehearing, and the EIS issue is awaiting a response.

Importantly, CAFE standards equate the greenhouse gas emissions in that CAFE compliance is measured by capturing greenhouse gases emitted by regulated motor vehicles. Thus the draft EIS appropriately suggests that model year 2011 through '15 [sic] proposal likely will result in the overall motor vehicle greenhouse gas emission reduction below what will occur without standards.

Of course, this conclusion assumes that purchasers will buy new vehicles covered by CAFE proposal, and hereby bring them into the fleet at the rate assumed by NHTSA and that once introduced into the fleet, they will be driven to the same degree that NHTSA has assumed.

To that extent, purchasers do not buy -- to the extent that purchasers do not buy vehicles regulated by the CAFE proposal and bring them into the fleet as predicted, whether due to their higher cost or lack of desirability, the CAFE proposal will necessarily fail to achieve this hoped for level of environmental performance.

This jalopy affect phenomenon recently was demonstrated by the failed introduction of the '07 model year medium and heavy-duty truck rules governed by the new EPA emissions mandates that increase their costs and arguably compromise their fuel economy and reliability.

Similarly, to the extent vehicles regulated by the CAFE proposal are used by NHTSA predicts after introduction into the fleet, the proposal will necessarily fail to

achieve its expected level of environmental benefit. Due to the rebound effect, vehicles with lower operating costs predictably will be used more than the vehicles they replace.

Environmental impacts that correlate with miles driven, traveled, such as those associated with greenhouse gases will be impacted to the degree of any such rebound effect, reducing any delay or forecast in environmental performance benefits.

In addition to recognizing the critical role of fleet turnover in vehicle miles traveled, play with respect to environmental performance, the final EIS should consider only those measured, real and measurable environmental impacts. Thank you very much for commenting time.

MR. KRATZKE: Thank you, Mr. Westcott. Mark Cooper, please.

MR. COOPER: Good morning. I am Dr. Mark Cooper, director of research at the Consumer Federation of America. We appreciate the opportunity to appear today and commend the National Highway Traffic Safety Administration for holding this hearing. My comments are sponsored by CFA and over two dozen of its member groups.

We urge the administration to hold hearings all across the country, not just here in Washington in the dead of August, so the public can weigh in on the issue of fuel economy, which is vital not only to consumer pocketbooks, but also to national security and the environment.

Consumer attitudes and behavior toward fuel economy play a vital role in NHTSA's market model and analysis, and as we show in our comments, NHTSA has completely misjudged the consumer. There would be no better way for NHTSA to correct

this flaw than to hear directly, in person, from the people who it has failed to comprehend in its analysis.

There are two problems in the draft environmental impact statement that render it woefully inadequate to address the public policy of the act. First, the underlying analysis is so fundamentally flawed that the agency has not considered an appropriate range of policy options for which the environmental impact should be evaluated.

Erroneous assumptions about market fundamentals, about consumer behavior and attitudes towards fuel economy, auto making capabilities to incorporate fuel savings technologies, and the price and value of energy have led NHTSA to center its analysis on a level of fuel economy that is so low that it sheds little light on what the environmental impact of a reasonable fuel economy standard would be.

Consumers are looking for higher mileage in new vehicles today than NHTSA has mandated for seven years from now. The product plans on which NHTSA based its rule seven years in the future have already been torn up by the automakers, but belatedly recognize the shift in consumer behavior.

The mix of cars and trucks that NHTSA projects, there's no relationship to the vehicles that consumers are buying. Rules that are not connected to reality violate the act and the administrative procedures act.

If you don't think that people will buy and drive more fuel efficient vehicles, you must be living under a rock.

The crucial rule of higher fuel economy standards is to push the automakers

to deliver vehicles that consumers want, and to push the auto industry to the maximum technologically feasible and economically practicable level. NHTSA has failed to do so.

The second problem in the draft environmental impact statement stems from the fact that NHTSA takes a fundamentally flawed approach to its externality analysis. This was evident in the analysis of the military and strategic externalities in the proposed rule. There NHTSA engaged in reasoning that can at best be described as blind incrementalism.

Rather than see improvements in fuel economy as part of a broader solution to the national oil addiction, NHTSA argues that the cost to rule alone cannot solve the problem, it does not deserve to be counted as making a contribution to the solution.

Implementing a law entitled the Energy Independence and Security Act NHTSA arrived at the outrageous conclusions that oil consumption has no military or strategic value whatsoever.

The analysis of environmental impact suffers from the same affliction, because improvements in fuel economy alone do not solve the climate change problem. They are shown to have zero effect on the damage that global warming will do. Yet every reasonable analysis of the big picture and the global impact of greenhouse gas emissions recognizes that the reduction of emissions in the transportation sector must play a large role in the overall solution. Indeed, because of the nature of the sector, it is vital to get the maximum contribution from transportation sources.

NHTSA's approach embodies a myopic bias against action. Because no

individual policy can solve the problem, this approach will reject every policy measure individually, even though taken together they can actually do the job. In NHTSA's view the whole is not even equal to the sum of the parts.

The challenge of national security and environmental impact that emanates from NHTSA's addiction, the nation's addiction to oil, are global and multifaceted. The analytic framer must recognize that fuel economy standards are an important part of the broader issue.

Our recommendation that you increase the level of the standards for 2011 and 2012, and that you withdraw the 2013 through 2015 proposals so that you can fix the fundamentally analytic flaws in the analytic framework and the erroneous economic assumptions is all the more compelling in light of the mounting evidence that the rule NHTSA has proposed fails to be a reasonable standard that comports with the act. Thank you.

MR. KRATZKE: Thank you, Dr. Cooper. Lena Pons, please.

MS. PONS: I'm Lena Pons, policy analyst at Public Citizen. We have a number, we appreciate the opportunity to testify, and we have a number of concerns about the draft environmental impact statement which will fall into three categories.

The first is the range of alternatives does not constitute the range of alternatives envisioned under the National Environmental Policy Act, and does not meet the requirements under the regulation.

Under the regulation set forth under the National Environmental Policy Act,

agencies are required to consider a range of alternatives that include all reasonable regulatory alternatives. The regulatory alternatives that are considered in this proposal effectively are a confidence bound around the optimized scenario proposed in the regulation.

Additionally, under the regulations, agencies may consider regulatory alternatives that are not in the jurisdiction of the lead agency, which would include more protective types of regulations such as greenhouse gas regulations for motor vehicles, such as those envisioned by the State of California and other states, and also part of the EPA's proposed greenhouse case, economy wide greenhouse gas regulations.

Additionally, the no action alternative should not be considered to be an extension of the situation as it stands, but should be a reflection of what would happen were there no regulatory intervention.

Other reasonable alternatives would include a situation wherein there was additional increases in fuel economy standards beyond the period of the Energy Independence and Security Act, which would require only that vehicles reach a standard of 35 miles per gallon for the combined fleet, cars and light trucks by 2020.

However, given the fact that there are significant market incentive and also environmental incentive to extend the standards beyond that level, then there is a likely, there's likely a reasonable alternative to consider what would happen if you had standards that extended beyond that level.

Considering that this is a new type of environmental impact statement, because it considers global impacts, it's very important that the agency put the impacts in a

proper context. The agency has not put the environmental impacts into a proper context, considering the issues of global warming.

Regardless of the target, NHTSA needs to provide some means of comparing the various alternatives. The way the draft environmental impact statement is currently contextualized, NHTSA states that fuel economy standards alone cannot stop global warming. But the issue is not whether fuel economy standards alone can stop global warming. The issue is to evaluate various environmental impacts of the various regulatory alternatives.

NHTSA has not presented a regulatory alternative that would result in actually reducing greenhouse gas emissions from motor vehicles. This is unacceptable. NHTSA has the responsibility to use its expertise to pose a theory wherein there is a regulatory alternative that could result in producing impacts that actually reduce greenhouse gas emissions from the motor vehicle sector.

And considering again that there is leeway for the agency to consider impacts that are the result of regulations that are outside of the agency, lead agency's jurisdiction, then it could look at things that would address vehicle miles traveled reductions, or other types of policies that might, as a whole, result in reductions that will result in improving the situation in terms of global warming, which again goes to the issue of context.

It is very important that this environmental impact statement reflect the situation that we are currently in.

With my final minute I would like to make some statements about the Volpe model. All of the regulatory alternatives that are considered in the draft environmental impact statement are the result of modeling using the Volpe model. This is problematic because the Volpe model does not completely look at all of the available technologies. It does not look at, and it applies various optimization factors which do not reflect what the most aggressive possible control regulations would be.

Additionally, the Volpe model bars certain types of techniques, such as down weighting and performance reduction, which may seem like strange things to do, because we've traditionally considered them to be problematic. However, given the significant dangers to the environment as a result of global warming, it's important to consider these things as well. Thank you very much.

MR. KRATZKE: Thank you, Ms. Pons. Ms. Eliza Berry.

MS. BERRY: Good morning. My name is Eliza Berry. I grew up in New York and I'm currently a college student in Minnesota. I'm here today because like many of my peers I'm incredibly concerned about global warming.

The Intergovernment Panel on Climate Change reported in the 2007 fourth assessment report that the best action plan for avoiding the most severe impacts of global warming, such as widespread species lost and global declining food production requires reducing global greenhouse gas emissions by 80 percent by the year 2050.

The report states that to get on track towards achieving this goal, global greenhouse gas emissions must peak in no more than 10 years. As a 21 year old, I am fully

aware that this 2050 deadline for cutting the majority of greenhouse gas emissions will occur during my lifetime.

With its draft environmental impact statement, NHTSA has unfortunately sent the message that global warming is such a massive problem that the agency can do little about it. The report says that despite the fact that the transportation sector is responsible for 20 percent of U.S. greenhouse gas emissions, the statement concludes that we should not increase fuel economy standards from 31.6 miles per gallon to 35 miles per gallon in 2015, because doing so will not reduce global ocean temperature in the year 2100.

I am here today because young people like me do not care to live a world where devastating global warming impacts are considered to be simply inevitable.

The draft environmental impact statement does not use the appropriate scale with which to measure the benefits of an increase in fuel economy standards. This scale has only allowed NHTSA to prove that a 3.4 mile per gallon increase in vehicle efficiency in the U.S. is not going to be the one thing to save the entire planet from global warming.

I don't think that very many people would be surprised by this conclusion.

By measuring the importance of a shift in fuel economy standards like this, NHTSA has fundamentally missed something. Few people would claim that there is one silver bullet to solving global warming. Rather, we need to do everything in our power to cut greenhouse gas emissions in all sectors, the transportation sector included.

Together these seemingly small changes will make a major difference. And if the U.S. leads the way in cutting emissions, other countries will follow, thus making an even

greater difference on a global scale.

I would like to ask NHTSA to acknowledge the power of collective action and take responsibility for greenhouse gas emissions from the transportation sector. As I have explained, the intergovernmental panel on climate change has emphasize the importance of requiring that greenhouse gas emissions reach their peak in no more than 10 years.

NHTSA is currently making a decision that will profoundly influence our emissions during the next 10 years and beyond. NHTSA should therefore contribute to the effort to peak emissions sooner rather than later. This means adopting the highest fuel economic standards economically and technologically possible.

In summary, I would like to ask NHTSA to reevaluate the conclusions drawn from their draft environmental impact statement, and encourage NHTSA to require a 35 mile per gallon fuel economy standard by 2015. Thank you for your time.

MR. KRATZKE: Thank you, Ms. Berry. Ann Mesnikoff, please.

MS. MESNIKOFF: Good morning. My name is Ann Mesnikoff. I'm a senior Washington representative with Sierra Club's global warming and energy program, and I am testifying today on behalf of Sierra Club.

If there ever was a need of the nation to conserve oil it is now. The headlines daily remind us of the consequences of oil dependence. Americans send nearly $2 billion dollars a day overseas for oil. Many can no longer afford to fuel the gas guzzlers they purchased, nor can they sell them as consumers flock to smaller cars.

Food prices are rising. Dollars are being drained from our economy, and are

not being spent in our local businesses or in our communities, wrecking economic havoc. It took decades for Congress to finally pass the first mandated increase in fuel economy since the original CAFE law was passed. After writing standards language, NHTSA is finally ramping up mileage standards.

In the meantime, the industry has become addicted to selling SUV's and we have become addicted to oil. The biggest single step we can take to curbing global warming, saving oil, and helping consumers at the pump is to make new vehicles go farther on a gallon of gas.

But we see in the NOPR and the DEIS that fuel economy is only the biggest single step if the right standards are set and evaluated in the right context. Raising fuel economy standards to at least 35 miles per gallon in 2015 is a key step to curing our oil addiction and reducing global warming pollution.

I will make three points today and submit written comments for the record. First, Sierra Club's written comments and the proposed rule address the flawed process for arriving at the 31.6 mile per gallon proposed standard. The proposed rule and the PRIA both show that the gas prices are major forces in setting fuel economy. NHTSA short changes America by using gas price assumptions that are far too low, a price for carbon that is randomly selected, and artificially constraining technologies.

NHTSA must set the right optimized standard and then recalibrate the other bounds. The 35 mpg target in 2020 is a floor not a ceiling. The law directs that the standards be what is maximumly feasible. How can the public have confidence in NHTSA,

that NHTSA is setting the right standards when some of the key inputs in its analysis are flawed.

Second, can the public have confidence in the range of options considered in the DEIS. NHTSA strictly adheres to a 35 by 2020 standard. At several points NHTSA recognizes the two critical words which proceed 35 in the 2007 energy bill, the words "at least."

In other places NHTSA says the standards must be set to 35 by 2020. NHTSA notes that the 2016 to 2020 standards are foreseeable in the draft environmental impact statement, but the law provides them for the maximum feasible thereafter. Increases beyond 2020 are foreseeable, perhaps just as foreseeable as the VMT increases NHTSA presumes through 2100.

NHTSA should first use more accurate values for gasoline prices and other inputs to justify a 35 in 2015 standard, and increases beyond that with greater hybrid penetration, accelerated introduction of plug-in electric hybrid vehicles, and other technologies.

The DEIS is premised upon a flawed proposed standard and the scenarios that must be addressed should be fixed before a final standard is issued and a final EIS is issued.

The third point I would like to raise concerns -- are concerns [sic] about the draft environmental impact statement and whether it meets the primary function to inform the public that the agency has indeed considered environmental concerns in its decision

making process.

In this case the agency does not give a fair or reasonable evaluation of the environmental impacts of the proposed standards, nor does NHTSA provide a context that reasonably informs the public.

The draft environmental impact statement takes the real differences between the options considered and runs them out so far to 2100 that they cannot meaningfully be differentiated or evaluated. Faster fuel economy increases will help the U.S. cut the 20 percent of CO_2 emissions that come from vehicles.

The difference between 35 in 2015 and 35 in 2020 is real. It is worth noting that the draft environmental impact statement reveals that this one policy could affect climate in 2100. The problem with NHTSA's analysis is that if we hit 700 parts per million plus, referenced in the DEIS, we have not averted dangerous climate change.

There is no requirement that NHTSA run its analysis through 2100. NHTSA notes that it's Volpe model estimates emissions reductions through 2060. The agency provides as a simplifying assumption, annual emission reductions from 2061 to 2100 were held constant. NHTSA should assess how the correct scenarios will impact emissions from cars and trucks in a time frame that is meaningful to the public, and within the context of science, not simplifying assumptions.

Fuel economy is only one policy in the tool bag. It will diminish the 20 percent of CO2 that comes from cars and trucks, but we must achieve an 80 percent reduction below 2000 levels by 2050 if we are to avert dangerous climate change.

For too long, the industry has fought higher fuel economy standards and successfully constrained NHTSA and Congress. The purpose of fuel economy law has been undermined for too long, and NHTSA must not perpetuate this by setting tomorrow's standards using yesterday's gas prices.

Before NHTSA finalizes its standards and the EIS, it must ensure that it's meeting the intent of the CAFE law and of NEPA. We must end our addiction to oil. Raising fuel economy standards to at least 35 in 2015 will speed up oil savings, speed up CO_2 reductions.

Finally, NHTSA must evaluate the environmental impacts of these standards in science-based context that informs the public. Thank you for this opportunity.

MR. KRATZKE: Thank you, Ms. Mesnikoff. Mr. Doug Molof.

MR. MOLOF: Good morning. My name is Doug Molof. I'm here as a concerned young citizen that has seen people in my home state of Texas struggle over the past several months to fill up their cars with gasoline.

In Texas there is no real public transportation alternative. The state is large and people are regularly forced to travel long distances on a regular basis.

NHTSA must act now to address the devastating environmental and economic impacts of America's growing oil dependence and rising gas prices by setting fuel economy standards at the maximum feasible level.

The agency's current proposal relies on unrealistic gas price assumptions which result in insufficient fuel economy levels. The agency's proposal assumes future

gasoline prices to be only $2.25 per gallon in 2016, when American future gasoline prices -- when American consumers are already paying prices nearly twice as much today. In fact, since NHTSA first released its draft CAFE rulemaking, the price of gasoline has jumped by over a dollar.

NHTSA's own analysis shows that between 2011 and 2015 significantly higher standards are technologically feasible and economically practical when higher gas prices are used. NHTSA's final rule should be, at a minimum, consistent with the analysis provided in the preliminary impact analysis that accompanied the notice of proposed rulemaking.

NHTSA's use of the low cost energy estimates is arbitrary and violates the agency's statutory charter to impose mandatory maximum feasible fuel economy standards based upon a review of economic and technological feasibility.

The high gas price scenario yields cost effective and technologically feasible standards that will help meet the nation's need to conserve energy, and will help lower gas prices for the average American consumer. NHTSA should ensure that final standards are set using this value at a minimum.

NHTSA's draft EIS fails to analyze, also, the benefits of greenhouse gas emissions reductions through various fuel economy standards in the proper context. Not surprisingly, when NHTSA tries to determine the difference in global ocean temperature rise in 2100, resulting from a 31.6 mile per gallon standard in 2015, versus a 35 mile per gallon standard in 2015, statistically there is no difference.

But emissions from the transportation sector in the United States account for roughly 20 percent of our country's greenhouse gas pollution. And as any projection, decreases in greenhouse gas emissions arising from increased fuel economy standards can never be greater than this. [Sic]. These reductions should be considered as a proportion of the 20 percent, not as a proportion of the entire planet's combined carbon admissions.

This can simply overwhelm any measurable progress. Success and progress should be measured by how close these fuel economy improvements get us to reducing the transportation sector's carbon emissions by 80 percent in 2050.

To do otherwise fails to realistically evaluate vehicle emission reductions as a key part of the overarching strategy to curb global climate change.

The debate is over on climate change. The scientists and the American public agree and have reached the same conclusion. It's happening now. We are already feeling the vast effects and we must act immediately to stave off the worst effects. Thank you so much for the opportunity to testify.

MR. KRATZKE: Thank you, Mr. Molof. Matt Dernoga, please.

MR. DERNOGA: Hi. My name is Matt Dernoga. And I wanted to first thank the National Highway Traffic Safety Administration for holding this hearing, and allowing me to give my input on the critical decision of what our CAFE standards should be set to the upcoming decade and beyond.

It's difficult to know where to begin because I find all this very perplexing. I find it perplexing that NHTSA would aspire to only a mere 35 miles per gallon by 2020, the

bare minimum of what is required by the Energy Independence and Security Act.

I am confused that American auto makers would fight raising fuel economy standards, given the dire fiscal situation they find themselves in, as a direct result of their stubbornness.

I don't understand why the implications CAFE standards have on climate change do not appropriately reflect NHTSA's decision-making. [Sic].

Finally, I am baffled that our new CAFE standards are based on the presumption that the cost of a gallon of gas will be only $2.25 by 2016. I wonder if we are living on the same planet.

I'm going to hazard a guess that there have been hearings like this in the past, that years ago when the NHTSA was considering raising fuel economy standards they decided against it based on the presumption that gas would be cheap through the opening decade of the 21st century. NHTSA chose to assume the best, and failed to prepare America for the reality that awaited it.

As a result, we have become more dependent on oil than ever before, exporting hundreds of billions of dollars overseas each year with some of it going to hostile countries. Our economy is sputtering since everything costs more as a result of high fuel prices.

Businesses are having trouble staying afloat. Truckers can no longer make a living. All of the companies are posting billions of dollars in losses while cutting jobs, and food prices have risen because of shipping and production costs.

Americans find themselves barely able to hold their heads above the tide. The NHTSA is determined to respond to their mess by pushing their heads below that tide and holding them there. The notion of $2.25 a gallon gas by 2016 is laughable. It's a joke I could tell in a comedy club. There's no way that anyone in this room actually thinks that this will be the price. I'd be willing to bet anyone any amount that the price will be higher. Would anyone here take that bet?

NHTSA has already gambling, though. They're gambling with the future of our country. Planning our CAFE standards around the assumption of $2.25 a gallon of gas isn't a game. It's dangerous. You're playing a Russian roulette with the American economy. You're holding a loaded gun to its head and pulling the trigger with the hope that it fires a blank.

If you haven't noticed, our economy, our infrastructure, our lives and yes our cars are designed on the premise of cheap gas. That has to change or we will face hardship many times greater than what we are facing now.

I know that we can meet higher CAFE standards than 31.6 miles per gallon by 2015. I know this not only because of NHTSA's own analysis, but because I know the strength, determination, and good will of the American people. It's unnatural for us to aspire to meet only the bare minimum of what is required. That is not the American way. We do not reach for the ceiling. We reach for the stars.

The NHTSA needs to weigh the risk of being wrong by doing too little versus the reward of doing too much. It also needs to examine its conscience and factor in the

implications of climate change appropriately in its decision making.

But undertaking those two simple tasks, I have faith that we can do something about CAFE that we have never done before, the right thing. Now or never is a false choice. If you love this country and if you love your children, the time is now. Thank you.

MR. KRATZKE: Thank you, Mr. Dernoga. Jazzlin Allen.

MS. ALLEN: Good morning. My name is Jazzlin Allen and I am a U.S. (indiscernible) intern and a resident of western New York, whose savings is being bled out by major oil companies and their outrageous gas prices.

This summer and over the past few years I have experienced how high fuel costs and the lack of more fuel efficient vehicles have affected the financial health of my state and this country. Even the ability for these people to feed their families has been affected.

More personally, gas prices have had an affect on my family. As a recent college graduate, I worked an entry level position and juggled the bills on my own. I have often had to choose between eating lunch and filling my gas tank just to get back to work for the next week. Without access to the funds to afford a more fuel efficient vehicle, mainly because no one wanted to give me a fair price on my SUV, and my only support system being my single working class mother, I was forced to continue to invest in the most lucrative rip off scheme in the world, big oil companies.

Where is the return on my investment? Where is the concern for the financial

security of hard working Americans? Why isn't there a stricter system of check and balances?

Fuel prices are even adding to this nation's health crises, with common foods like milk, eggs, and vegetables being at record high prices, my family cannot afford many of these healthy everyday items. I mean, these billion dollar oil companies are snatching the food off American tables and out of our mouths.

The next time you visit New York City, make sure you close your eyes as the wind blows. The air is thick, polluted, and unpleasant to inhale. The affects of smog are incredible. As a person with asthma, I can no longer consistently frequent the city because the air is so dense, dirty and disgusting.

I am no scientist, and I am not able to scientifically analyze just how much global warming has affected the State of New York, but I know that I can feel the effects because I am living with them. I can feel them when I breathe the air, and I am often stuck in the car because of the congested and somewhat unreliable public transportation system.

As many other people have came [sic] and testified before you, the debate over climate change has ended, and we are feeling its effects on our communities today. It is more important now than ever to curb our greenhouse gas emissions and do our part to mitigate the affects of global climate change.

NHTSA's current proposed standards for cars and light trucks put us on a path to increasing fuel economy to only the bare minimum, 35 miles per gallon by 2020, required by the Energy and Security Act of 2007. NHTSA fails to take full advantage of

available fuel saving technologies, and must reconsider the proposed standards and use its statutory authority to meet the urgent need of the United States to reduce carbon emissions, conserve oil, and meet the growing demand of American consumers for vehicles that go farther on a gallon of gas.

I'm pleading to you on behalf of American families and our economy to reconsider your EIS report. Thank you for your time.

MR. KRATZKE: Thank you, Ms. Allen. Mr. Sam Blodgett.

MR. BLODGETT: Good morning. My name is Sam Blodgett, and I am testifying today as a public citizen of the United States of America.

I have come here to voice my concerns with the National Highway Traffic Safety Administration's recent draft environmental impact statement or fuel economy standards, or CAFE.

I strongly believe that NHTSA must raise CAFE standards to 35 miles per gallon by the year 2015. Failure to do so would be a failure of the [sic] American people who are in desperate need of relief from rising gas prices.

I am a California native, born and raised. Although my parents divorced when I was just three years old, I grew up with parents who both had a real presence in my life. Soon after their divorce, my mother and I moved to a new city, roughly 180 miles from my father.

Despite the distance, my parents took turns driving seven hour round trips to ensure that I could grow up with both my mother and my father. And while I thank God

they got divorced when they did, and you would feel the same if you knew them, I am forever indebted to my parents for sacrificing their time, energy, and money to keep my family together. I could not have come as far as I have without them.

So, why share this story with you? Gas prices, gas prices, gas prices. $1.50 gas, while not cheap, enabled my parents to make that 360 mile journey without burning a whole in their wallets. That same journey, given current gas prices and CAFE standards, would be inconceivable now.

My mother, who worked one-third time [sic] to raise me, could never have afforded that drive with $4.50 gas. Current gas prices would have forced my parents to choose between bare necessities and their child. American families should never have to make that choice.

Economists agree $2, even $3 gas price days are over. Your environmental impact statement must reflect this new reality. In your draft EIS you analyze two price projections for the cost of gasoline; one that predicts $2.25 [sic] gas prices by 2015, and another that predicts $3.14 [sic] gas prices by 2015.

In your EIS you chose to use the lower price estimation. Given current gas prices, this was an obvious misstep. It is only prudent to use the higher cost estimation. Even it undervalues gas by almost a dollar.

According to your analysis, if gasoline is $3.14 by 2015 then higher fuel economy standards are both technologically feasible and economically practicable. If true, then it is nonsensical to continue as planned.

You must raise CAFE standards to 35 miles per gallon by 2015. Doing so would save Americans more than 76 billion gallons of gas over five years, according to your own analysis. As an American, that's the first bit of good news I've heard in a while.

And a quick reminder, failure to utilize the higher cost projection violates NHTSA's statutory charter to impose mandatory feasible fuel economy standards based on economic and technological feasability.

But here's the bottom line. Assuming $2.25 gas in 2015 is insulting to the American people. Americans are craving gas price solutions. NHTSA has the power right now to relieve some of our pain at the pump. Passing up this opportunity would be shameful.

The National Highway Traffic Safety Administration is part of the federal government that was created by our founding fathers to serve Americans. By failing to raise efficiency standards, NHTSA is failing we the people. So do what's good for America. Raise CAFE standards to 35 miles per gallon by 2015 or as my mother would say, let's get this show on the road. Thank you.

MR. KRATZKE: Thank you, Mr. Blodgett. And thank you to the entire first panel. At this point I'd like to call the next six witnesses. We will take a break after these witnesses have had the opportunity to speak. I'd like to call Emanuel Figueroa, Sara Larson, Joseph Frewer, Annie Chau, Marissa Knodel, and Allison Bacon, please.

All right. Well, I can see there aren't six people up there. Clever. Emanuel Figueroa. We will move Mr. Figueroa to the end. Sara Larson. Ms. Larson likewise.

Joseph Frewer. Thank you, Mr. Frewer.

MR. FREWER: Good morning. My name is Joseph Frewer. I am a college student originally from Houston, Texas. I am in school at Pomona College in Southern California.

I am speaking today as a public citizen, also as a volunteer for the Sierra Club for the summer. Primarily, I am here because I'm concerned about global warming. As you've heard multiple times, the scientific conclusion is that to mitigate the worst effects we really need to cut our carbon pollutions by 80 percent by 2050.

And many of us are agreed that the best way to do this is by utilizing every tool we can. We've got to look at every aspect of our economy, not only the transportation sector, which is addressed here, but many other parts, industrial -- I don't need to go into them.

But this 20 percent is part of a bigger picture, and we must take that into account when looking at a global solution. Just because it's 20 percent doesn't mean that it's any less important and that it can be ignored, just because when you look at in the context of 100 percent global emissions picture, it doesn't seem that important as it is.

NHTSA's draft environmental impact statement fails to analyze the benefits and reduction for fuel economy standards in the proper context because it is going by the bare minimum. As we have said, I'll try not to go into the same statistics that we've heard, but 31.6 miles per gallon, the bare minimum, just won't cut it. There are already cars being released that promise to offer more than 31.6 miles per gallon of gasoline.

We have people wanting to better the environment, wanting to save money, wanting to reduce our dependence on nations that are not always stable, not always friendly. And I'd say conserving our gas is a lot better solution than trying to drill on our soil, for instance, because the problem with gas prices is a demand problem.

China and India and other developing nations are not going away. And as our oil consumption stabilizes, they're still growing at an exponential rate. And so what we can do to conserve gas right now not only will help us use less, it will help us decrease the price of a gallon of gas. But it will also, the technology we develop and our car makers develop in cutting down how much fuel our cars and trucks use can be transferred to other countries, and can help solve the global warming problem on a scale greater than our 20 percent transportation sector economy.

So as I said, the current estimation of the price of a gallon of gas, which is, I think $2.25, not counting inflation in 2016, is unrealistic. I mean, we all prices right now, while they've been fluctuating, they're not going to drop back down to what they used to be. They are definitely staying above $3, and I think that's what most economists are saying. So we need to at least take this into account when coming up with what our standards need to be.

And I'd say a personal reason why I'm here, I go to college in a suburb of Los Angeles. I had an internship in West LA. I'm from East LA. And it's a commute that probably a couple million people do every day. I did it twice a week and it turned out to be probably a quarter tank of gas every day that I drove to my internship.

And as a student, I could barely afford that.

Luckily I was subsidized by my college, but I can't imagine having to pay for groceries and having to pay for dependent children and paying this much money for gas, especially people who are driving cars that are 10-15 years old. We need to start coming up with solutions preemptively so that by the time 10 or 20 years roll around, their 15 or 20 year old car won't be as bad as the car I was driving, for instance.

So for commuters, for grocery prices, for many reasons I can see as a student, and I'm concerned about for the future, we really need to up our standards. We need to take into account more factors than just this transportation sector. But we need to recognize that the transportation sector is essential and part of a bigger solution to combat global warming, part of a solution to save our economy, which right now is not looking so good, obviously.

So that's all I have to say. I urge you to take another look at your draft environmental impact statement, and thank you very much.

MR. KRATZKE: Thank you, Mr. Frewer. Annie Chau, please.

MS. CHAU: Good morning. My name is Annie Chau, and I'm a representative from U.S. Public Interest Research Group. On behalf of U.S. PIRG and our federation of state PIRGs representing over a million citizens in America, I urge the National Highway Transportation Safety Administration to strengthen CAFE standards, and to follow the Consumer Federation of America's recommendation.

That means first, correcting the conceptual flaws in the agency's model, and establishing clear tests and analytic procedures to evaluate standards.

Second, setting the 2011 to 2012 standards at a substantially higher level than previously proposed. And third, rescinding the 2013 to 2015 standards, which are based on incomplete information.

Consumers in America want, need, and deserve real and lasting solutions that improve the fuel economy of our cars and trucks, and reduce our nation's energy consumption.

The way we travel is a big part of our energy crisis. Two out of every three barrels of oil that America consumes each year are used to fuel our cars and trucks. Furthermore, our nation holds just 3 percent of the world's proven oil reserves, yet we use 25 percent of the world's oil.

Our dependence on oil has become increasingly painful for American families. We are now spending close to $100 a week on gasoline costs alone. This makes household spending on transportation the second highest expense for the average American family, more than food, clothing, and even health care.

NHTSA unrealistically predicts gasoline prices to be only $2.25 per gallon in 2016. But Americans are already paying nearly twice as much today. U.S. PIRG research from squandering to stimulus shows that in the last five months American families have spent the entirety of their stimulus checks filling their tanks, while the cost of gasoline skyrocketed more than 40 percent.

Rather than boosting our faltering economy, the economic stimulus money went straight to big oil companies like Exxon/Mobile who are now reporting record breaking

profits.

The agencies of the federal government must serve the people and find long term solutions for our energy crisis. At U.S. PIRG we believe in solutions that allow Americans to drive less, such as consistent and innovative investment in public transportation. The most fuel efficient trip will be the trip not taken.

Americans are driving less. We as a nation traveled fewer miles in the last year for the first time in over two decades, and we are taking public transportation in record numbers across the country.

Many Americans do have to drive, though, and we must make those trips more fuel efficient by improving and modernizing our cars and trucks. This should be a top priority for the industry, our nation's leaders, and our federal transportation agencies. Forward thinking today will save us energy for tomorrow.

We fully support the comments of the Consumer Federation of American and we agree that NHTSA has failed to prioritize the need to conserve energy, has undervalued the benefits of increased vehicle fuel economy, and has kept standards too low for too long.

By ignoring a critical situation that is facing our country, the rising cost of gasoline, and our limping economy, every American is burdened when the fuel economy of our cars and trucks falls short.

We strongly urge this body to follow the recommendations of the Consumer Federation of America. Our nation's energy future depends on it. Thank you.

MR. KRATZKE: Thank you, Ms. Chau. Marissa Knodel.

MS. KNODEL: Good morning. My name is Marissa Knodel, and I grew up in Rochester, Minnesota, and now go to school at Dartmouth in Hanover, New Hampshire.

I am having an extraordinary opportunity to work with a professor there in the creation of an international NGO that can better represent the interests of South Pacific Island nations in negotiations concerning global warming and climate change.

This is an issue of environmental justice, since these countries have contributed the least to global warming, and yet given their size, location, geography and lack of political power, will suffer the most from global warming.

The highest point on many of these islands is only a few years high. Now, with global warming causing sea levels to rise, and increasing the magnitude and severity of tropical storms, many of these nations already have agreements with the governments of New Zealand and Australia to evacuate their entire populations with the expectation that their homes will be under water within the next 50 years.

The United States, on the other hand, represents only 4 percent of the world's population, uses one quarter of the world's oil, and contributes the most to global warming pollution to the atmosphere.

The United States is very good at outsourcing the environmental responsibility for the energy that it uses, and the pollution that it creates. But now that Americans are starting to feel the financial burden from our addiction to oil through higher prices at the pump, and the environmental burden through storms like hurricane Katrina, the oil spill in the Mississippi a little over a week ago, and the threat of off shore drilling, we

realize the consequences of oil dependence and are demanding change.

Oil companies have been reporting their second quarter earnings, and last week at $11.68 billion Exxon/Mobile earned the largest quarterly profit of any U.S. corporation ever.

Now, for those families earning less than $15,000 a year, oil expenses represent 10 to 13 percent of their annual income. This, too, is an environmental injustice.

We have the ability to both reduce the amount of greenhouse gases we put into the atmosphere, and move away from oil and other fossil fuels. About 69 percent of our oil consumption, and one-third of our global warming pollution comes from the transportation sector.

In order to reduce oil use and reach the goal of an 80 percent reduction in greenhouse gas pollution by 2050, we can increase fuel economy standards, make sure hybrid and plug in electric vehicles are available and affordable, and improve public transportation.

Increasing CAFE standards to 35 miles per gallon by 2015, instead of waiting for 2020 as currently required save 300,000 gallons of oil per day by 2020, which is equivalent to keeping 280 million metric tons of carbon dioxide out of the atmosphere.

Not only is global warming and the oil addition that contributes to it an environmental injustice for South Pacific nations, keeping CAFE at a minimum of what is possible is an injustice for Americans trying to live out their daily lives, and for all those who believe in a future of clean, renewable energy, cars that can get 100 miles per gallon, and

a healthy, safe environment for everyone everywhere. Thank you very much.

MR. KRATZKE: Thank you, Ms. Knodel. Allison Bacon. All right. Ms. Bacon will be moved to the end of the program, too. At this point, I think we will take a 15-minute break. Can I ask you to come back at 10:40 and we will start up again. Thank you.

(Whereupon, at 10:29 a.m., a brief recess was taken.)

MR. KRATZKE: All right. If we can, we would like to get started now with the remainder of our morning session. Available slots at the table are for Reverend Dr. Mari E. Castellanos, Matthew Du Pont, Barry Bernsten, Pamela Woodward, Eli Hopson, Henry Desilva, Caroline Keicher, Christina Marie Yagjian, Lois Dean, D.C. Amorison, Julie Locascio and Kara Miamosi. And I would like to begin with Reverend Dr. Castellanos. All right. We'll come back. Matthew Du Pont? Thank you, Mr. Du Pont.

MR. DU PONT: Hi. Thanks for taking the time to listen to me today. I'm Matt Du Pont, a college student, and I'm a citizen.

Now, I'm not an expert on environmental issues, and anything I could say about those realistically is going to be said better and with better sources by someone else that has spoken today or will speak after me. So I'll only take a few minutes of your time and make a very simple speech about an issue that wouldn't require much work on your part, but is very important. And that's the accessibility of this EIS report to the general public.

Now the speech structure is very simple. I'm going to show you firstly that you will find this issue important. Secondly, you have a duty to make that EIS report

transparent to the public. And finally, that it's currently failing to do so.

And this leads to the conclusion that simply by throwing on a very accessible, readable, lower level two to three page summary in addition to what you already have in this report, you can make this much more accessible to the public who demand this information.

So first of all, I think it's not too controversial that people find this issue important, after all this directly impacts global warming which according to a March 2006 time pole, 88 percent of American's find relevant for future generations.

But more importantly for our purposes here, 49 percent of Americans think that this is one of the issues that is very important to them, one of the issues that they are going to find out of their way to actually find out information about, instead of just reading it in the papers.

So we know it's important, we know it's important to Americans.

And secondly, it's very noncontroverial that the EIS is supposed to inform the public, not just policy makers. People look to the CEQ regulations governing the EIS creation, which cite a purpose of the EIS as "to encourage and facilitate public involvement in decisions which affect the quality of the human environment." And they are also several clarity and brevity requirements meant to make them more accessible to the public.

So we've got this demand for information. We've got this EIS with a burden to show the public how that information is being used. It sounds pretty good. But in reality right now, this particular environmental impact statement is failing to make itself

accessible to the public.

I mean, first of all there is a length. Now, the CEQ guidelines say that reports should be less than 150 pages in most cases, in very special cases under 300. So if I, as an average citizen who is not getting paid to deal with these issues, am confronted with this 414 page monstrosity, it's highly likely I'm going to read more than the summary, if I read anything at all.

But this brings us to the second problem. Even if I got to that summary, the very first sentence in the forward, I am confronted with no less than nine acronyms, probably six of which I don't know. It's just not very encouraging for me as an average person trying to vote correctly, to advocate policy, to be able to read this report, although maybe it's applicable to policy makers. But I, you know, as just a regular citizen, it's hard for me to get through.

So, and it doesn't get much better from there on in because the summary assumes knowledge of a lot of things. It assumes that I know why rising sea levels are bad, which admittedly is explained in the report, but I'm probably not going to go to page 270 or wherever that's explained, if I'm not grabbed in the beginning.

And so we have this inaccessibility, and I think it's a huge problem. The citizens who are interested but don't have a career as a nonprofit policy wonk or an auto industry lobbyist are simply not going to read a 414 page report, or even a 25 page summary.

And this brings me to the point of my speech, something you could do very

easily. It's not a solution, but it's certainly a step in the right direction. By simply providing a short jargon free summary, say just two to three pages long, in addition to what's already in the report, specifically labeled, for average citizens who don't know as much about the issue, you can allow people to make meaningful conclusions from this EIS, to be able to read it and perhaps talk to their neighbor about it, or talk to their Congress person. But whatever they do, advance a stated cause in the mandate of the EIS, to advance public discourse.

Now, because frankly, your job as the EIS author is not just to help policy makers, it's to interest me, an average citizen. And I stand before you today, right now, as an intelligent environmentally conscious citizen, the exact target audience for any EIS report. But because I and thousands of other people have no interest in slogging through the dense prose that makes up most of this EIS, it's failing in its duty to provide information to the public. And as such, I would please ask you to add in this and future summaries a very short, a short, more accessible, clearly written piece that addresses the public. Thank you for your time.

MR. KRATZKE: Thank you, Mr. Du Pont. Barry Bernsten, please.

MR. BERNSTEN: My name is Barry Bernsten. I'm president of BG Automotive Group located in Philadelphia, Pennsylvania. We are building the first mass production facility in the world for the production and assembly of electric vehicles, a product that is now a necessity in the world, and not just an alternative.

First, I would like to thank NHTSA for giving me the opportunity to speak

to this committee that appears to be interested in the public's opinion with regard to the environmental impact of the new CAFE rules. I might be one of the few people in this country that have read most of the 414 pages of the environmental impact statement with regard to the CAFE rules covering model years 2011 to 2015.

I must commend the team that prepared the document for their time commitment, but I do not commend them for their due diligence and their accuracy. They clearly forgot to include the direct human health care costs, as well as the quality of life issues in their report.

Every morning I turn on the news or I read the paper and I see the air quality report in the Philadelphia region. Needless to say, this report peaked my curiosity. After doing some further research, I found a government website called air now.gov that provide daily reports on the air quality around our nation.

I was shocked to see that their were color coded air warnings for the air quality based on where you reside in North America. The government calls it the AQI, air quality index. These are color coded, similar to our terror alert index, or terror alert codes.

Also, I noticed that there were existing real time alerts in our country today, this past weekend, that were orange, being unhealthy for sensitive groups, and even red, a strict statement of being just unhealthy to breath.

After further research on air quality elements, I found that approximately 17 million people have asthma in our country, of which 5 million are children, and one of them spoke with you here today.

What I did not read in the 414 pages of the environmental impact statement as it clearly relates to air quality, was the direct associated cost with the 1.5 million emergency room visits for asthma patients, or the $14 billion in health care costs related just to asthma related illnesses.

The report also did not include the direct costs associated with emphysema and/or chronic bronchitis due to CO2 emissions or greenhouse cases. Why didn't the environmental impact statement consider the direct health costs associated with their study, and the quality of life costs associated with such an important report?

Saving billions on oil, reducing greenhouse gases, slowing global warming is a given. We are reminded and educated every day. This you covered in the report.

According to another government site from the National Institute of Environmental Health Sciences, "according to the Environmental Protection Agency's estimates on air pollution, the commitment to new air quality standards, and cleaner air will prevent 23,000 premature deaths in America. 1.7 million cases of asthma attacks will not occur. And 67,000 new cases of acute an aggravated bronchitis can be limited.

All Americans should be outraged at this agency's report, that it did not include the quality of life costs, and the billions of dollars of direct health care costs as it relates to their analysis as a result of the CO_2 greenhouse gases referred to in your report.

More Americans are not only walking and riding bicycles to work, but we now have to tell our children when and when not to play outside.

Instead of taking the latter issues into consideration, the study includes an

environmental impact equation, the net cost benefit or detriment which includes input from the automotive companies and the lobbyists.

The auto companies complain that it is not economically feasible to produce more fuel efficient vehicles due to their retooling costs, and their extensive health care costs. The DOT demands that the industry finds themselves in a situation where they are negotiating with the automotive companies and the automotive lobbyist, which we don't understand as an American public.

This is not the auto industry's decision. This is your decision, NHTSA's decision on where and how to set these standards. The bottom line is that we all know of the strongest CAFE rule will lead to the strongest environmental impact for the air quality and the quality of our lives.

I thank you for the opportunity to speak to you. Thank you.

MR. KRATZKE: Thank you, Mr. Bernsten. Pamela Woodward, please.

MS. WOODWARD: Good morning, and thank you for giving me the opportunity to speak today. I am a local resident. I live in Silver Spring, Maryland, and I've never spoken in front of any type of board before, but I felt that this was a very important issue, one that has a very strong, that I have strong feelings for, so I decided to do this.

I'm an avid world traveler who likes to leave the bustling city for relatively wilderness areas, such as, I've traveled to Antarctica, to the Amazon, to the Galapagos Islands.

And I've seen some of the effects of global warming during my travels, and in

particular in Antarctica where there are massive amount of ice breaking off from the ice shelf.

And I think it is important for us, as a country, to realize our responsibility in preserving the wilderness areas, and this includes getting away from our dependence on oil, both foreign and domestic. It also includes expanding existing technologies, such as hybrid technologies, electrical vehicles, rather than looking to drill in unspoiled wilderness areas like is being considered right now.

In addition, I've lived in foreign countries where the emission standards are negligible at best. And as was referred by the previous speaker, I have been subject to chronic throat and bronchial infections due to inhaling air from strong exhaust.

In addition, I've lived in parts of this country, this area and in Northern California where I can feel, taste, smell the air on days where it's code orange or code red. And I can feel it if I try to exert myself, I can feel the effects on my lungs.

In addition, a couple of years ago I was, I went to shop for a new car with my husband. And I wanted to get the most fuel efficient car possible, both from a cost perspective, since we're paying $3 to $4 dollars a gallon in gas, and also from an impact on the environment. And unfortunately, our choices were severely limited, due to the lack of availability of such vehicles. We couldn't even test drive a Toyota Prius because none were available, they were so popular.

I'm here today to ask you to really consider the environmental impact of any standards you set, and to take into account the quality of life for both the current population

as well as future populations of this country and the world.

You need to use realistic gas prices, prices that are, that equal the current average, which is much higher than the $2 plus range. It's in the $4 plus range. And you also need to understand how many people would be interested in buying fuel efficient vehicles, were they both accessible and affordable.

The technology exists. There are companies that are using successfully, and other companies should be encouraged to develop the technology even further. Thank you very much for your time today.

MR. KRATZKE: Thank you, Ms. Woodward. Eli Hopson, please.

MR. HOPSON: Hi. First I'd like to thank NHTSA for holding this hearing, and for giving us the opportunity to offer comments on the draft EIS.

I'm the Washington representative for the Clean Vehicles Program of the Union of Concerned Scientists. UCS is a leading science-based nonprofit, and we've been working for a healthy environment and a safer world for over 30 years.

The topic of this hearing the, environmental impact fuel economy standards could not be more urgent. Put simply, global warming is the single largest environmental threat facing the country and the world today. $4 a gallon gasoline is strangling our economy.

But within these threats are varied opportunities. Increasing fuel economy standards will reduce global warming pollution from our cars and trucks. It will cut America's oil addiction, and it will save consumers billions.

At the same time, the investments we make in our domestic auto industry will strengthen our economy and our ailing domestic auto makers as we help them build the vehicles that are essential to avoiding the worst impacts of global warming.

There are two primary flaws in the draft EIS that must be fixed in order to give the public a true idea of the potential environmental impact of this rule. First, the fuel economy standards are being measured for their global impact, even though they only affect a portion of all manmade sources of global warming pollution.

Second, the methodology of a rule upon which this EIS is based is fundamentally flawed and improperly limits the potential environmental benefits from increasing fuel economy.

But first the scope. If we are to avoid the worst impacts of global planet change, our nation and the world must adopt a target that will keep global temperature from rising more than 2 degrees C above pre-industrial levels. That means stabilizing the concentration of global warming pollutants in our atmosphere at no more than 450 parts per million CO_2.

Analysis by UCS shows that one part of achieving that goal means the United States must cut its global warming pollution at least 80 percent compared to emissions levels in 2000. In addition, our analysis indicates that in order to effectively achieve such a long term goal, we have to start now. We have to reduce our pollution 20 percent below 2000 levels by 2020 and at least 50 percent below by 2030.

The need for these long term targets and immediate action is not effectively

covered in the EIS, and the cost of inaction of the size of this challenge also should be better reflected.

Importantly, there is no single silver bullet that will dramatically cut U.S. global warming pollution, and no single sector will be able to carry the full burden. Instead, we're going to have to do a diverse set of policies that's going to cover every sector comprehensively.

Transportation, including the cars and trucks consumers drive every day will have to play a significant role in meeting this 80 percent reduction, minimum, and all options for cutting pollution from transportation must be on the table.

Unfortunately, the analysis done by NHTSA only presents the reductions from the fuel economy rule in the context of their direct impact relative to all manmade global emissions, rather than just the emissions from our cars and trucks.

Because higher fuel economy standards alone won't solve global warming does not discount the fact that they are a vital, necessary part of the solution. By stating them in terms of their percent reduction from the sector, approximately 30 percent, rather than a percent of world reductions which is .8 to 1.1 percent, according to the draft EIS, the value of the fuel economy in reducing global warming pollution and helping us meet those near term targets will be clear and less misleading to the public.

NHTSA's approach to the EIS is like arguing that we shouldn't worry about smoking in 16 year olds, because they're only a small percentage of the smoking population. Instead, this argument could be used against all persons in the sector to say, well, global

warming is such a big problem, we can't use it in here, we can't use it here. We shouldn't deal with it at all. Instead a more comprehensive approach needs to be looked at, and the EIS reflect that need.

The second problem is with the announcements that the rule is based on. A recent UCS report indicates that auto makers can cut cost effectively their fleet wide average fuel economy of cars and trucks and improve it to 42 miles per gallon by 2020, and up to 50 and more than 50 by 2030, with a modest 25 percent penetration of hybrids by 2020.

The recent proposed notice rulemaking actually assumed that hybrids wouldn't be on the road until 2014. Let me just reiterate that. Despite the fact that there are more than 1 million hybrids on the road today, despite the fact that the Toyota Prius is the ninth best selling car in America, the announcements that NHTSA used assume hybrids won't be on the market until 2014.

People are not sitting around waiting for a hybrid to show up on a dealer's lot in six years. They're on six month waiting lists, as we heard today, because they are already that popular.

There's a number of other flaws in the base analysis that have been covered today, but I just want to point out one last one. The value of carbon dioxide that NHTSA used, they assume $7 per ton. Carbon dioxide is currently trading in the European futures market at $40 per ton.

The other list has been mentioned, but I just want to summarize and say your own analysis showed that if you use a more realistic gas price, or switch to an analysis

based on total benefits, each of those would allow us to reach Congressionally mandated minimum five years earlier, so 35 miles per gallon by 2015, and would help us get a head start on solving our global warming problem. Thank you.

MR. KRATZKE: Thank you, Mr. Hopson. Henry D'Silva, please. All right. Caroline Keicher.

MS. KEICHER: Hi. Good morning. Thank you again for having us today and allowing us a chance to talk about this draft environmental impact statement.

My name is Caroline Keicher, and I am here because I am incredibly concerned about the impacts of global warming

in this country, because I think that NHTSA has a responsibility to put into place the strongest fuel efficiency standards possible to help us reduce our global warming emissions from vehicles.

The debate is over on a time to change. The scientists and the American public have come to the same conclusion. It's happening now, and we are already feeling the vast repercussions. We must act immediately if we are going to stave off the worst effects.

The reports on climate change that pour in daily no longer focus on predictions for the far future, but on the consequences that we are already experiencing today, and how global warming will continue to disrupt our environment, our economy, and our very ability to survive if we don't act quickly to reduce our carbon emissions.

It's more important now than ever to curb our greenhouse gas emissions and to do our part to mitigate global climate change. The cost exacted on us if we do nothing is

guaranteed to be worlds steeper than any possible cost prevention.

The scientists made it clear that to avoid the worst effects of global climate change, we must achieve 80 percent reduction in our emissions by 2050. This gives us approximately 40 years to get our act together, and we have no time to lose.

Unfortunately, there is no single thing that we can do, or single sector in our economy that we can cut to get us all the way there. We must instead start making manageable emission reductions from each single carbon emitting sector of our economy. And when considering the benefits of doing so, we must consider each reduction as part of the larger long term goal, both for the United States and globally. Each reduction that we fail to make in one area will have to come from somewhere else.

The most disappointing thing for me about NHTSA's draft environmental impact statement is that it fails to analyze the benefits of greenhouse gas emission reductions from various fuel economy standards in the proper context. Not surprisingly, when NHTSA tries to determine the global warming impacts resulting in 2100 from various standards, 31.6 miles per gallon in 2015 versus 35 miles per gallon, there isn't statistically much of a difference.

And this isn't surprising. It also doesn't mean that raising fuel economy standards faster will not have a significant impact in our struggle to reduce global warming pollution.

Emissions from the transportation sector in the United States account for roughly one-third of our greenhouse gas emissions, with cars and light trucks coming in at

about 20 percent. That's a fairly large chunk of our contribution to this global problem.

So what is the proper context? How do we consider these various CAFE increases? Globally the science has called for long term reductions of emissions of about 50 percent for the entire world by 2050. Here in the U.S. as an industrialized nation that accounts for nearly a fourth of world carbon dioxide emissions, this translates for us into about 85, 80 to 95 percent needed reductions below 2000 levels by 2050.

In the short term this is going to mean that we need to reduce our emissions between 25 and 40 percent by 2020, so a much sooner time line. This is a much bigger number, and this is what's most relevant with these new CAFE increases.

If we're going to evaluate how an increase in corporate average fuel economy affects global warming, this is the target that we should be focused on, not some obscure number in 2100.

In addition, the proportion of emissions saved is much less important than the total cumulative carbon savings. The front end reductions are more important and have more cumulative impact than later emission reductions.

Taking this into account, it seems even more obvious that NHTSA should set new fuel economy standards to reach 35 miles per gallon by 2015. Not only is this standard economically and technologically feasible when a more accurate gas price is used, but it gets our cars and light trucks traveling an average of 35 miles per gallon five years sooner, the cumulative carbon savings of which is anything but insignificant.

NHTSA has proposed standards for both cars and light trucks in response to

the energy independence and security act's mandate to achieve a fleet wide fuel economy average of at least 35 miles per gallon by 2020. NHTSA proposes to raise fuel economy of cars and light trucks to a combined average of 31.6 miles per gallon for model year 2015.

While this increase is more than half of what is required to meet the floor set by the EISA, NHTSA fails to take full advantage of the fuel saving technologies, and fails to fully and fairly evaluate the benefits of greenhouse gas emission reductions.

NHTSA must reconsider the proposed standards and use its statutory authority to meet the urgent need of the United States to reduce carbon emissions, conserve oil, and meet the growing demand of American consumers for vehicles that go farther on a gallon of gas. Thank you so much for your time.

MR. KRATZKE: Thank you, Ms. Keicher. Christina Marie Yagjian.

MS. YAGJIAN: Good morning. My name is Christina Yagjian, and I am here today as a concerned citizen. I'd like to start by thanking NHTSA for holding this hearing and for giving me the opportunity to speak today.

I'm here because I'm concerned about the effects that global climate change will have in my lifetime on my life and the lives of those that I care the most about, if we don't take the most rapid and comprehensive measures available to us to reduce global warming emissions now.

This draft EIS takes a step in the right direction, but fails to go the extra miles necessary to properly face the problem at hand. NHTSA's draft environmental impact statement fails to analyze the benefits of greenhouse gas emissions reductions from fuel

economy standards in the proper context.

As a young professional with baby boomer parents approaching retirement, and hopes of one day having a family of my own, I'm concerned about the effects that climate change will have on the elderly and future generations.

My father, who lives outside of Austin, Texas, a state which is already hot and dry, has begun to see increased droughts. This summer alone he has had to purchase two truckloads of water for his home, which is not on the city's water system, whereas last year he only purchased one.

The IPCC estimates that average temperatures in Texas will rise 5.85 degrees by 2100 if global warming continues unabated. I am concerned about the effects that these temperatures and weather conditions will have on my father as he gets older and his health is more vulnerable.

As you have heard this morning, the debate on climate change has ended. And we see issues such as increased droughts, as I mentioned -- as we see issues such as increased droughts, as I mentioned, in Texas, we see that we are feeling the effects of climate change today.

The science has made it clear that to avoid the worst effects of global warming, we must achieve 80 percent reductions in global warming emissions by 2050. As cars and light trucks account for 20 percent of the country's global warming emissions, the single biggest step that we can take in this country to reduce global warming emissions, save consumers money at the gas pump, and reduce America's dependence on foreign oil is to

make our cars and light trucks go further on a gallon of gas.

It has never been more important that we take the strongest measures available to us to curb global warming emissions, and to do our part to mitigate the effects of global climate change.

NHTSA's draft environmental impact statement fails to analyze the benefits of greenhouse gas emissions, emission reductions from fuel economy standards in the proper context. As I mentioned, we know that emissions from the transportation sector account for roughly 20 percent of the country's global warming pollution.

The EIS projected decreases in emissions rising from increased fuel economy standards are analyzed as a proportion of combined global carbon emissions. This figure is more clearly evaluated when presented as a proportion of the current 20 percent of domestic emissions.

An additional issue I would like to highlight is in this draft environmental impact statement is that NHTSA has arbitrarily picked 2100 as a time line for measuring the success of today's carbon reductions. A nearer term goal would help to ensure that the transportation sector does its part to achieve the goal set by the scientific community of 80 percent reductions by 2050.

In the EIS NHTSA presumes that fuel economy standards stop increasing after 35 miles per gallon in 2020. In order to properly evaluate carbon savings through 2100, NHTSA should extrapolate a curve of increasing fuel economy standards that continues to increase to 2100 at the same rate of increase as between 2011 and 2015. In order to ensure

that we take the strongest measures available, NHTSA must do its part. It must begin by evaluating fuel economy standards in the correct context.

I am concerned about the effects of global warming that our planet will feel in my lifetime if our country does not show leadership and take the single most important step in reducing our carbon emissions, which is to reduce greenhouse gas emissions from our transportation sector as efficiently and effectively as possible.

In order to ensure that we take the strongest measures available, NHTSA must do its part. They must begin now by evaluating fuel economy standards in the correct context and setting fuel economy standards at the maximum feasible level, at least 35 miles per gallon by 2015. Thank you for this opportunity to testify.

MR. KRATZKE: Thank you, Ms. Yagjian. Are there any of the panelists who could come to the table who have appeared, Ms. Dean, Dr. Amarasing, Ms. Locascio or Ms. Massey, here? Please.

MS. LOCASCIO: My name is Julie Locascio. I have lived in several different cities, but have resided in Washington now for seven years. I have worked as both a planning consultant and an attorney. And I have extensive education and experience in environmental law, policy, and planning.

When I learned that NHTSA was using a CAFE cost benefit analysis based upon a projection that gasoline prices will be well below $3 a gallon in the next two decades, I was shocked. That is why I am testifying today.

I am trained as a planner to do cost benefit analyses. The NHTSA has been

directed to regulate the private sector towards a 35 mile per gallon standard or better, i.e., a maximum feasible fuel economy. NHTSA is permitted to balance the cost of improving fuel saving technology against the benefits which will accrue by doing so, including the environmental benefits of reduced gasoline consumption.

The environmental benefits include reduced oil drilling on American land and off shore territories, reduced ground level air pollution emissions, and reduced carbon dioxide contribution to global warming.

Nonetheless, many consumers will look first to the impact on their own finances in assessing the value of increased CAFE standards. A higher priced vehicle will be worth the extra cost to the consumer, if the consumer gets higher fuel efficiency. But if NHTSA is saying that such a consumer will only save about $2.50 for every gallon of gas longer needed, well into the next two decades, this analysis is completely distorted.

As everyone knows the price of gasoline at the pump is current hovering around $4 a gallon, and one would be hard pressed to find a cross-section of economists who would predict that the price of gasoline is going to drop back down below $3 a gallon in the two decades to come.

Indeed, even Guy Caruso, EIA administrator has testified that the CAFE cost benefit analysis should be using an oil price between $2.96 and $3.63 per gallon. I don't see how NHTSA can ignore the expert recommendation of the man responsible for ensuring that the statutory and regulatory requirements for legally performing the environmental impact assessment are fulfilled.

I'm not going to use this testimony to explain to you the repercussions of your actions on global warming, because I think you already know them. I'm not even going to use this testimony to talk to you about the hundreds of thousands of urban children who cannot go outside to play during the most heavily polluted days of the year. I think you know that too.

What I am going to ask you to do is to stand up for common sense economics and state of the art science. I am going to ask you to stop worrying that this administration is going to fire you for doing the right thing.

I am going to ask you not to tow the line in promulgating regulations that make no sense, and which if promulgated will only lead to litigation and a lengthy delay until a federal court orders the administration to comply with the law.

In short, I am asking you to make a stand because we are all in this together, and none of us wants to be explaining to future generations why we continue trashing the air we breathe, when we all knew better. The more we refuse to pay today, the more we will all be paying tomorrow.

If realistic fuel costs are used in a CAFE cost benefit analysis, NHTSA could set mile per gallon standards high enough to be the carbon equivalent of taking an additional $10 million cars off our roads. Please do the right thing. Thank you for listening to my testimony. May I submit my written testimony also?

MR. KRATZKE: Thank you, Ms. Locascio. We have five more people who we had planned to have speak before lunch. If any of them are present, I would invite

them to come up to the tables. Dennis Chestnut, Tara Morrow, Sarah Karlin, Heather Moyer, and Larry Menkes. Dennis Chestnut? No. Tara Morrow. Ms. Morrow.

MS. MORROW: Thank you and good morning. Thank you for the opportunity to speak today on this DEIS. My name is Tara Morrow, and I'm on the staff of Greater Washington Interfaith Power and Light. We are one of 28 interfaith power and light organizations across the United States, a growing movement of people of faith responding to global warming.

When religious people talk about responsible stewardship of our resources or care of the earth, it is toward abundant life for future generations that they measure the costs to their own lives.

As you set standards to meet the energy independence and security acts mandate to achieve a fleet wide fuel economy outreach of at least 35 miles per gallon by 2020, may you remember that 35 miles per gallon is a minimum, and future generations will applaud us for our boldness in implementing what is technologically feasible, or wonder how we lacked the creativity and will to respond to global warming and the challenges of energy security.

I did study physics in college before attending seminary, which does help me get through the statistics and tables of the DEIS. But I am here today as a person of faith, in particular, greatly concerned about the impact energy policies and activities resulting in increased global warming emissions have upon the poor and vulnerable.

As was demonstrated during the aftermath of hurricane Katrina and around

the world in recent months with increased food prices, quantifying the impacts of global climate change is not simple, and will only increase in value as we more fully grasp its consequences.

The debate about whether climate change is real or caused by human activity is over. And as I witnessed from first hand accounts during a recent trip to the Philippines, the effects are already taking a toll upon our world.

While I was glad to see that the DEIS does assign a dollar value greater than zero to CO2 reductions, I ask you to take another look at the value range and price carbon more accurately given the most recent analysis, as others have referred to here today.

The costs of global warming exacted on us, or more accurately on our children and grandchildren, and generations to come, if we take only token action now is sure to be steeper than any costs that we will incur now.

Another matter for closer examination in the DEIS is the estimate of the price of gasoline used to determine what is cost effective. Many here have already referred to this, but I, too, was quite shocked to see an assumption of only in the $2 range for 2016, that's in terms of 2006 dollars, and it does seem quite unrealistic given current realities, at least given what I paid myself in my own Ford Focus yesterday on my way back from a family reunion in Pennsylvania, which I had bought because it got pretty good mileage at the time. But with the price of gasoline, I have to think about what trips I'm going to make.

When higher projections of gas prices are used, then significantly higher standards are technologically feasible and economically practical.

Given the recent soaring gas prices, we are seeing a change in the market by consumer demand for vehicles with greater fuel economy. However, I think the American people are ready for bold action, at least my generation is, and moving forward will take more than responding to market research.

It takes full measure of the costs to us if we do not take action or take only very modest action. Costs which the DEIS begins to address, but I hope will be more fully incorporated when the final fuel economy standards are issued for passenger cars and light trucks for 2011 to 2015. Thank you for your time.

MR. KRATZKE: Thank you, Ms. Morrow. Sarah Karlin. Heather Moyer.

MS. MOYER: Good morning. Thank you for having this hearing. My name is Heather Moyer. I'm here as a concerned citizen. Thank you for holding the hearing.

I just want to say, as I watch people struggle to pay higher gas prices and argue consistently over whether we should be drilling for more oil, I am continually frustrated by our government's seeming lack of appropriate action in trying to address these issues, especially when addressing these issues in a smart way can not only save Americans money, it can also address our addiction to oil and fight global warming.

And I know that we as Americans must also take personal responsibility when it comes to helping the environment and driving smart and finding solutions to global warming. But it also falls upon us to urge our government to take the major actions that can widely address these sorts of problems.

The government must take actions, and if you are waiting to hear from

Americans to tell you to do something, well, here you go.

As others have said, the debate over climate change is done. People agree. And we are already feeling repercussions. We're no longer talking about far away possibilities. Things are happening right now. As a former reporter who covered disasters, I saw many of these situations up close and personal. And we must take action now.

The costs exacted on us if we do nothing now is guaranteed to be far worse than any possible cost of prevention.

Although there is no silver bullet to get us to an 80 percent reduction in carbon emissions by 2050, the single biggest step we can take in this country to reduce our global warming emissions, save consumers money at the pump, and reduce our dependence on foreign oil, is to make our cars and trucks go farther on a gallon of gasoline.

The technology exists today to safely and cost effectively make all passenger cars and light trucks reach a fleet wide fuel economy average of at least 35 miles per gallon by 2015. Taking this step will achieve the goals of the new fuel economy law, and is most pertinent to this hearing, will greatly reduce the global warming emissions from the transportation sector, which as you've heard others say, may currently make up 20 percent of our country's greenhouse gas emissions.

And again, as others have said, I also was surprised and shocked to see the proposal assuming that future gas prices would be only $2.25 in 2016 using 2006 dollars. I found that shocking and saddening, and also laughable. And I urge you to use realistic gas prices. We know, I mean, again, we talked about cars, I drive a '95 Saturn. It still gets really

great gas mileage. It now costs $40 to fill up.

NHTSA's own analysis shows that between 2011 and 2015 significantly higher standards are feasible and economically practical when higher gas prices are used. NHTSA's final rule should be, at a minimum, consistent with the analysis provided in the preliminary impact analysis that accompanied this proposed, this notice of proposed rulemaking.

When it comes to oil savings, the U.S., our increased global warming emissions from vehicles and growing oil dependence put our entire country at risk. We see this daily as billions of dollars flow out of our economy to pay for oil, while the reports on global warming impacts continue to flow in. It is time to put existing fuel saving technology to work by increasing fuel economy standards to the levels that reflect the maximum achievable standards for vehicles produced in 2011 and 2015.

And by the agency's own estimation, the proposed standards will save more than 54 billion gallons of gasoline over the five model years addressed in this rulemaking. Setting standards to at least 35 miles per gallon in 2015 would save an additional 22 billion gallons of gas.

America holds just three percent of the world's proven oil reserves, yet we use 25 percent of the world's oil and so clearly we cannot drill our way to oil independence.

NHTSA understands the importance of conserving oil. It makes every effort to undercut the oil savings that fuel economy gains can achieve for this nation. The high gas price scenario yield cost effective and technologically feasible standards that will help met

the nation's need to conserve energy.

NHTSA should ensure that final standards are set using this value as a minimum. I urge you, you have the power to make rules that make such a huge difference, and I urge you to use that power and really take a stand and make a difference. Thank you.

MR. KRATZKE: Thank you, Ms. Moyer. Mr. Menkes. All right. At this point are there people here who were supposed to present earlier? Mr. Figueroa? Please.

MR. FIGUEROA: Hi, everybody. My name is Emanuel Figueroa, and I am from Puerto Rico. I'm sorry I was a little bit late. It's really difficult to get around this city. It's like everything looks the same for me.

So I'm here as a concerned citizen for gas prices and off shore drilling. I'm here because as a Puerto Rico citizen I don't have a voice, representation, or a vote on this administration, the Congress and everything that is happening with this government, but still manage to affect us in the small island in the Caribbean, the Commonwealth of Puerto Rico, that is 110 miles by 32 miles, and it has a population of 4 million people.

I am here also as a recent graduate that is making its way into the job businesses, and like I'm trying to like cope here with like my income and how much I pay for gas and other expenses that I have.

I'm here to the matter of change because you, as NHTSA, have the power and responsibility to enforce fuel efficiency standards of at least 35 miles per gallon. And this is the biggest single step that you can do to create a better world, and this will save a lot of gasoline, and this will save us a lot of money. And that's a really good thing.

I'm not an expert on global warming and energy issues. Because I'm a recent graduate, so I know a lot about the theory, but I don't know how it gets opined to our government and the policy making and the decision making strategies, but it doesn't make sense when we assume that the price of gasoline is $2 or $3, when we go outside and see the first, any gas station, doesn't matter if it's an Exxon, Mobile, Shell, any. You can choose your brand. You can choose the one that you like for your car, but it's way over $4 right now.

And it's really difficult when people are willing to pay more for their car to have a higher fuel efficiency, but it doesn't make sense in the numbers, because maybe the numbers that we're using are for old information or don't take into consideration the whole picture.

So I encourage you into NHTSA to actually take into consideration the correct price or re-evaluate what is going to be the price of gasoline in the future. Because when you plug in the right numbers into the formula that you use, it will make a lot of sense to have a higher fuel efficiency in our cars. Thank you.

MR. KRATZKE: Thank you, Mr. Figueroa. Mari Castellanos.

DR. CASTELLANOS: Good morning, and thank you for holding this hearing. I'm Dr. Mari Castellanos. I am a minister with the United Church of Christ, a denomination of 1.6 million people.

I speak not only on behalf of the church, but on behalf of the children of the church, for it is to them that we are accountable. It is their future which will be greatly

impacted by the decisions you make. I charge you with their responsibility for their future.

35 miles per gallon by 2015, an 80 percent reduction of greenhouse emissions by 2050, is the minimum that we must achieve, a commitment to their future. It is God's creation. It is our children's future. In their name and on behalf of Andrew, Christopher, and Thomas, my grandchildren ages 10, 8 and 6, it is in their name that I request that you aim as high as you possibly can in reducing greenhouse emissions.

Thank you very much. We will carefully await your decisions.

MR. KRATZKE: Thank you Reverend Castellanos. Sarah Karlin, please.

MS. KARLIN: Good morning. My name is Sarah Karlin, and I am from Livingston, New Jersey. Thank you for the opportunity to testify. I am here today because I am concerned about the devastating impact global warming will have on this country and the entire world if we continue to stand by and casually ignore this impending crisis.

When I was younger, my parents would read to my brothers and me every night. One of our favorite books was the Little Engine That Could. Many of you probably remember this famous tale of a small engine whose hope and courage enabled him to pull a large train over a steep mountain. Other larger engines refused, but this engine's famous motivating words, I think I can, I think I can, carried him over the hump.

Climate change is happening now, and if we don't respond quickly, global warming will continue to disrupt our environment, our economy, and our very ability to survive. We must act now to reduce our carbon emissions.

The science has made it clear that in order to avoid the worst effects of global warming, we must achieve an 80 percent reduction in greenhouse gases by 2050. At first glance, this may seem like a daunting task, but if we start now, and if like the Little Engine That Could, we believe we can, the U.S. can achieve the necessary emission cuts to prevent the most tragic impacts of climate change.

Yet NHTSA's draft environmental impact statement fails to analyze the benefits of greenhouse gas emission reductions from various fuel economy standards in the proper context.

Not surprisingly, when NHTSA tried to determine the difference in global ocean temperature rise in 2100, resulting from a 31.6 miles per gallon in 2015 standards, versus a 35 mile per gallon in 2015 standards, statistically there is none.

But this does not mean that raising fuel economy standards faster will not have a significant impact in our struggle to reduce global warming pollution. Emissions from the transportation sector in the United States account for roughly 20 percent of our country's greenhouse gas pollution, and as any projected decreases in greenhouse gas emission arising from increased fuel economy standards can never be greater than this, those reductions should be considered as a proportion of the 20 percent, not as a proportion of the entire planet's combined carbon emission. The latter simply overwhelms any measurable progress.

Adequate fuel economy standards can help the U.S. make a significant dent in our overall carbon emissions by 2050. Sure, other measures will need to be taken to meet

the 80 percent reduction by 2050. But the transportation sector must play its part.

Imagine what the world would be like if every time history's great innovators faced a daunting task they simply gave up. We'd likely be living in a very different world. Where would the airplanes be, the computer, the internet. The list goes on and on.

Luckily the inventors of these technologies were not deterred by critics or nay sayers. Those with the power to solve global warming must follow in their footsteps.

The transportation sector won't fix all of our climate problem, but it does have a moral obligation to be part of the solution. NHTSA cannot afford to sit back and do nothing. Solving the world's climate crisis is possible if only we truly think we can. Thank you.

MR. KRATZKE: Thank you, Ms. Karlin. At this time, if there are no other speakers from the first 35, we will take our break for lunch. At the beginning I announced we were going to take lunch from 12:30 to 1:30, but since we're giving you extra time, if you could, we'd appreciate it if you'd be back at 1:00. That's about an hour and 15 minutes from now. Thank you, and we're looking forward to the rest of the witnesses. Thanks.

(Whereupon, at 11:44 a.m., a luncheon recess was taken.)

AFTERNOON SESSION

MR. KRATZKE: All right. Thank you. We are going to start our afternoon list of speakers. If I could, I'd like to ask the following group to come up to the tables at the front of the room. Jim Pierobon, Allison Forbes, Ron Halber, Rita Rodgers, James Keck, Rabbi Fred Dobb, Fred Teal, Alina Fortson, Matt Kirby, Jaafar Rizvi, Ben Schreiber, and Sarah Alderfer.

And I suppose with this I'd like to ask Mr. Jim Pierobon if he would like to start us in the afternoon session. Please, at the podium. Thanks. And just to remind folks, if you will, please state by stating your name so that our court reporter will have that clearly in the record. Thank you.

MR. PIEROBON: Thanks, Administrator Kratzke. My name is Jim Pierobon. I'm from nearby Silver Spring, Maryland, and I use, as I almost always do when I

get to downtown, public transportation, the Ride-On bus system, and our wonderful subway system.

But not only do I take public transportation to get another car off the road, but it's another way of perhaps dealing with my personal frustration at the serious lack that I think we have in choices for very fuel efficient automobiles.

And I've worked as an energy writer for the Houston Chronicle and a freelancer for the New York Times on a variety of energy issues going back to the 1980's. So, you know, I've had a lot of personal heart in this. And it's a privilege to come and speak to you here today.

And since then, I've been advocating for anything that can lead to a cleaner and significantly more energy efficient energy future of ours. But personally I'm appalled at how it seems to this layperson, with a fair amount of knowledge about energy markets and energy policy, how disconnected, if you will, the CAFE rulemaking seem to be, and the environmental benefits of significantly higher gas mileage standards.

You know, where possible, I'm a strong advocate for market oriented solutions. And you know, I would love to look to Detroit to be able to recognize the demand for more fuel efficient vehicles, especially as we've seen gasoline prices go up. But in this case, you know, with the growing challenges to our environment, it should compel, I think, you folks to put a much stronger value on higher mileage standards.

So I urge you, just to quickly conclude here, to use more realistic assumptions about how high future gasoline prices could go. And looking back on how high

they've been this year. And I hope you'll recognize how fuel efficient hybrids, as one dramatic example, are becoming more valuable and how quickly and efficiently they can deeply penetrate, especially the consumer automobile market. Thanks for your time.

MR. KRATZKE: Thank you, Mr. Pierobon. I'd like to call Allison Forbes.

MS. FORBES: Hi, my name is Allison Forbes. I work with the Sierra Club in the D.C. area and just want to offer my personal comments today.

I have a friend with a Mercedes that's old enough to actually have this gadget on the dashboard that measures the mileage that she's getting, and it's not a new hybrid or anything like that. It's an old car that tells here, you know, how much she's getting for her money and her gas in the tank. And I know we've lost the consciousness of some of these solutions like increased fuel economy. We're not in a crisis.

I think we have an enormous opportunity here today to really change that and look at the long term and really invest in technologies and the vehicles that will increase fuel economy and save us money driving our cars. I think it's been an enormous loss for the U.S. that we haven't taken the opportunity in so long to really increase the fuel economy of our vehicles.

And I'm definitely going to be in the market for a new car in the next several years. I hope I have the opportunity to spend some extra money that will also save me money in the long run, because I know that's an investment, that investing in those new technologies will also reduce costs for consumers, and they'll save money at the gas pump in the long run.

I hope that this hearing and this rule will contribute to ambitious new innovations that America can lead the way in putting cars on the street that are saving consumers money; and also helping solve global warming, bring down emissions. [Sic]

That brings me to the enormous cost of global warming that I want to address, to note that we need to make an impact to reduce our emissions in the next several years. It's apparent that we need to make enormous contributions to this with solutions that have economic benefits as well as environmental benefits. And this is the way to do it. I hope you will be very ambitious in this rulemaking.

And consider the effects on the near term, in terms of reducing U.S. emissions in the near term to consider how important it is to make early investments in technology, so that they are available sooner rather than later, you know, you need to get ahead of the game in solving global warming, as well as being a leader in international markets and in international debate on global warming.

In addition to that, in addressing the need to have economic and environmental solutions, we need to, you know, [sic] America is clamoring for solutions to high gas prices and to our oil dependence. And so I think it's necessary that we invest heavily in the solutions that, you know, benefit us, and also benefit our country, and help us continue to protect lands that are special and pristine.

I also just want to add that the figure you're considering right now for cost of gas is offensive to consumers. And I'm sure you know that, but we definitely need to be considering the higher cost of gas in our analysis. I paid $4.15 a gallon over the weekend

driving around, and it's not easy. So please consider that in your rulemaking. Thank you.

MR. KRATZKE: Thank you, Ms. Forbes. We now have Deborah Linick speaking for Ron Halber.

MS. LINICK: Yes. Thank you very much. I'm Debbie Linick. I'm the assistant director of the Jewish Community Relations Council of Greater Washington. Our Jewish Community's national umbrella organizations, the Jewish Council of Public Affairs and the Coalition on the Environment and Jewish Life could not be here today, and so I'm delighted to testify here at their request.

The JCRC is the local chapter of JCPA, representing 210 Jewish synagogues and agencies in and around the nation's capital area. Clearly our Jewish community joins those of many faiths who urge careful stewardship of creation.

We believe that the best environmental initiatives must be economically just, not disproportionately burdening the poor. They must be sustainable over time, and grounded in sound science. The best policy should encourage participation by government, industry, institutions and individuals alike.

Urging strong CAFE standards meets each of these important goals. Increasing gas mileage of our vehicles is the best way to simultaneously save Americans billions of dollars in transportation costs, and cut down on the emissions that exacerbate global warming.

Furthermore, reducing dependence on oil, especially foreign oil, improves our economy and our national energy security interests.

For all of these reasons, we urge you to set strong standards, but achievable standards, and to do so in a transparent way that explains to the American people how stronger standards help protect the environment.

Americans are already paying more than $4 a gallon for gasoline in this country, all around this country. We must regulate fuel economy based on realistic assumptions about the likely future cost of fuel, and with an eye toward encouraging cleaner vehicles, and the pursuit of renewable and alternate sources of energy.

Thank you for inviting our testimony today. We look forward to strong standards deriving from an open and deliberative process. Thank you for allowing us to be part of that.

MR. KRATZKE: Thank you, Ms. Linick. I'd like to ask Rita Rodgers to speak, please.

MS. RODGERS: As I, let me introduce myself. I am Rita Rodgers, R-O-D-G-E-R-S. I was invited by the Union of Concerned Scientists. I do not represent them. I represent myself. I couldn't afford to join them.

As I talked with some of the younger people and listened to them, the first thing that came to mind was, when I drove an English Ford Angler with four cylinders I bought 25 cents worth of gas, and went 30 miles a gallon. That's a long time ago.

We are now at $4.15 a gallon. I think it spiked at $4 -- I don't remember, my 1993 Honda Civic EX gets about 35 to 40. My point is, I have a historical perspective here.

I recall that in the 1970's we had, "an energy crisis." We -- and the

government responded, I thought, appropriately. They set standards. Nothing happened, because after that energy crisis passed, we didn't look down the road to see another energy crisis coming.

So here I go. Here's my background. I'd like to first thank the NHTSA for the privilege of speaking about our current energy crisis. My background as a scientist includes the following, a degree in experimental psychology, work equivalent to a BS in chemistry, and graduate work in both areas. University classes include years, two years of engineering calculus, physical and organic chemistry, ecology, et cetera, et cetera, et cetera.

As a scientist, I am not politically correct, which is why I'm unemployed now. I do not value the dollar over life on our planet. As every scientist knows, there is a reaction for every action.

For example, where does the energy go from underground nuclear tests? What effect have manmade disasters, and I have to add a little bit of politics in this, such as September 11, 2001, and wars had on our atmosphere in the form of particulate matter circulating the planet?

If we show the same disregard for clean air that we have shown for clean water resources, what happens to nature's capacity to recycle carbon monoxide. Carbon dioxide creates clean air. I suffer from asthma. And I can recommend as a chemist coffee. It's in the same family as Xanthese. It can give you a heart attack if you are not used to the drugs. Just an aside.

Deforestation and our prolific use of fossil fuels has had a disastrous affect

on nature's ability to provide clean air. All this so those [sic] with enormous economic resources can drive the latest and largest SUV's and feel safer, from I don't know what, a terrorist attack.

From my knowledge of nuclear physics, and I didn't go into that field, believe me, I can tell you at ground zero and you're very lucky because you're vaporized. If a hardwood forest is clear cut and left to regrow, it takes 150 to 200 years for it to go through the successive stages to return to being a hardwood forest providing us with clean air. A hardwood forest is preferable to a soft wood or pine forest because the leaves of hardwood forest provide a larger surface area than pine needles for oxygen recycling.

It is my understanding that if we do not, if we continue business as usual, the planet might cease to exist within a century. That's not a joke. The way it would cease to exist, it would implode. It might implode from the destruction of the earth's crust.

For example, drilling. I give you the permafrost in Alaska as an example. Concrete, tar, nuclear tests. These are all assaults man has brought to the earth, to the planet. We don't have a lot of time here. It's time to get serious.

I hope Congress and the federal agencies responsible for the decisions about automotive efficiency will take [sic] these concerns into consideration for the sake of future generations. Thank you.

MR. KRATZKE: Thank you, Ms. Rodgers. Mr. James Keck, please.

DR. KECK: Good afternoon. My name is Dr. James Keck. I'm a preventive medicine resident at the Johns Hopkins Medical Center speaking today on behalf of the

Environmental Defense Fund, or EDF, a national nonprofit organization dedicated to finding practical solutions to the most serious environmental problems.

EDF, while supporting the inclusion of climate change health impacts within the EIS is deeply concerned by the assertion that the agency and its consultants were unable to determine the magnitude of these impacts across the proposed CAFE alternatives, not only on the basis of climate change, but also regarding conventional pollutant health impacts.

We believe that NHTSA has failed to comply with the Ninth Circuit's previous mandate to quote, provide the necessary contextual information about the cumulative and incremental environmental impacts of the final rule in light of other CAFE rulemakings and other past, present, and reasonably foreseeable future actions regardless of what agency or person undertakes such other actions.

We are also concerned that even though EDFCA requires NHTSA to select the maximum technically feasible fuel economy that is economically practicable, the administration has deviated from this mandate and instead selected the standard that supposedly maximizes economic benefits. This so called optimized standard falls below alternative standards that convey less net economic benefits, but are still economically practicable and better meet the other recognized statutory considerations of energy conservation, environmental, and human health protection.

In its decision, the Ninth Circuit quotes from CJ Wall's dissenting opinion in City of Los Angeles versus NHTSA stating, we cannot afford to ignore even modest contributions to global warming. If global warming is the result of the cumulative

contribution of myriad sources, anyone modest in itself, is there not a danger of losing the forest by closing our eyes to the felling of the individual trees?

And yet this is precisely what this EIS does. By presenting only the isolated impact of this one set of U.S. regulations upon the entirety of global climate change, and then asserting that health and other impacts are too uncertain to distinguish among the range of alternatives, NHTSA is certainly closing its eyes to the context of this regulation as well as the full set of cumulative impacts relevant to this EIS.

The EIS draws heavily upon the most recent IPCC report in describing the causes of climate change and its impacts on the environment and human welfare. However, the EIS ignores the IPCC's description of targets for avoiding the most drastic of these impacts. For example, the IPCC states that avoiding a temperature increase of more than 2.6 degrees centigrade from pre-industrial times reduces the risk of key environmental and health vulnerabilities, and to do this, greenhouse gas emissions must peak within 10 years, and atmospheric carbon dioxide levels stabilize at less than 440 parts per million.

The absence of this critical context within the EIS leaves the public and policy makers unclear whether the preferred CAFE alternative will support a cumulative strategy to avoid the most serious climate change impacts.

Although the IPCC report provides a clear context and benchmark by which NHTSA can assess the alternatives, the EIS has failed to do so.

Let me next address the failure of the EIS to distinguish between CAFE alternatives and the basis of health impacts of conventional air pollutants. EDF and four

other organizations called for a transparent quantification of health costs and scoping comments preceding this EIS.

The EIS notes that health costs are included within the Volpe model, used to select optimized alternative, but it fails to include estimates of adverse health events in its statement. And while the EIS provides the future relative reductions in tons of air pollutants across the different CAFE alternatives, it does not link these air pollutant reductions to health in a transparent and meaningful way.

To demonstrate that such a linkage is possible, we used a simple methodology to estimate the changes in meaningful health outcomes associated with a [sic] different CAFE alternatives.

Although I do not have the time to relay all of the specific details of our findings, the health protection resulting from, for example, the pollutant reductions in the cost equals benefits alternative versus the optimized CAFE alternative is measured in thousands of avoided deaths, and thousands of avoided asthma visits to the emergency department per year by the year 2020. We will include the full details of our analysis in our written comments.

In summary, this draft EIS fails in at least three key ways to fulfill its NEPA and EPCA mandates. First, the EIS does not provide an appropriate context to evaluate fuel efficiency in light of the IPCC consensus on the mitigation measures necessary to avoid serious climate, change health and environment impacts.

Second, NHTSA has not provided sufficient transparency to explain why it

has departed from more stringent alternatives to better meet the energy conservation goal of EPCA.

And finally, the health impact assessment of conventional air pollutants lacks transparency and utility in that it does not provide meaningful information to policy makers and the public about the health benefits of more stringent CAFE standards. I thank you for your attention.

MR. KRATZKE: Thank you, Dr. Keck. Could I call Rabbi Fred Dobb, please.

MR. DOBB: Thank you. I'm Fred Scherlinder Dobb, a local public rabbi, and the Coalition on the Environment and Jewish Life is here. I'm on its board, as well as the Greater Washington Interfaith Power and Light, the Shalom Center, and Religious Witness for the Earth. And I'm here to urge you to prioritize the climate impacts of fuel standards, and to choose the path of conservation over convenience.

You must be overwhelmed by voices and perspectives today, along side your own proclivities. I hope and pray that you and all who make this decision are able to really maintain an open mind at heart, and be truly open to the evidence and ideas here.

That said, though I'm a man of the cloth, I'm not here to talk theology. I will cite ethical and moral standards. I happen to derive them from the biblical tradition, principals which compel our accuracy, our courage, and our alacrity in turning around this scourge of climate change.

Credentialed folks have already said what the American people get, [sic]

anthropogenic climate change is real. Its early effects are seen now, worse lies ahead. A robust scientific consensus takes it very seriously. We bear disproportionate, historical, quantitative, and moral responsibility for it. And everything we do as individuals or national safety committees makes an incremental difference, a real one.

Fuel economy is a global concern, a concern of our nation. In my world it's a Jewish issue, too. Back in the Talmud, the law of not wasting, Baal Tasshchit, specified how you should properly burn the right kind of fuel of naphtha versus oil to get the right result. We had that consciousness 1700 years ago.

Our Jewish community today, through COJL offers a friend of the Court brief on California's clean air challenge to the EPA's non-waiver. We see urgency in curbing our oil addiction, our dependance, and in protecting all that we can.

And like many others here, I'm particularly concerned about calculations for the likely cost of gas in the future. Spiritually and ethically, we cannot reduce endangered species, flood and famine refugees, or the integrity of recreation to pennies in an equation, not that the draft EIS even accounts for them at all.

We cannot stand idly by while our country proposes to ignore the lion's share of logic and evidence, lowball the estimated price of gas a decade hence, lower fuel economy, and send aloft hundreds of millions of tons of carbon that could have been avoided.

It was Mark Twain or Benjamin Israeli who coined lies, damned lies, and statistics. Stats can be accurate. They need to be attempted. They can be harnessed for

good, but sometimes they go the other way.

How we best guess the price of gas going forward, using current numbers, current numbers in Europe, which are twice our $4 a gallon, figuring futures markets, there are so many approaches we can take.

I'm no statistician, but as a citizen and clergy person it seems that whatever method yielded $2.25 or even $2.60 as an estimate for a decade out is an outlier at best, and a statistic beyond damn lies at worst.

This Yom Kippur I'll be speaking on responsibility to the other, the subtlety and impact of our personal choices. And I will address driving, the miles and hydrocarbons we take for granted.

I'll ask Adat Shalomers how to explain our profligacy in a conversation with a Bangladeshe or a New Orleanean, or other resident of low lying areas suffering ever more damaging impacts of rising sea level and stronger storms. And I ask you the same, as if not so much in hearing room as a confessional booth, a place of epiphany and reckoning, a day of atonement, when you will look back on your personal, like how and how much to drive, and your national choices, how efficient, ethical, and conservative to make our entire fleet. Looking back, did you do what was expedient or what was right?

Deuteronomy 30:19, I've set before you this day life and death, blessing and curse. You choose life, that you and your descendants may live. Our choices, with free will, have a real life and death implication for our great grandchildren. Please, let your and my great grandkids enjoy a slightly less denuded world. Please use reasonable numbers in your

calculations.

As Rabbi Tarfone wrote 1900 years ago, it's not upon you to complete the task, but neither are you free to desist from it. A couple more mpg's won't solve climate change, but it's one of many manageable, meaningful steps that we all can and must take.

You're not supposed to solve this alone, but you must do your part as each of us must do ours. Please do yours with special emphasis on the least among us, the integrity of creation, and our descendants. Thank you.

MR. KRATZKE: Thank you, Rabbi Dobb. I'd like to call Fred Teal, Junior, please.

MR. TEAL: My name is Fred Teal, Junior, and I've come here today from Brookville, Maryland, just a bit north of the city, about 10 miles. I thank you for having me here.

Brookville is a very small town, and in that town I have my home with my wife and a 17 year old son. And I am here today because I'm very concerned about NHTSA's reluctance to upgrade corporate average fuel economy standards above minimum required levels.

I believe there is clear evidence that our air and our water temperatures are increasing steadily with serious consequences for our planet. Sea levels are rising, glaciers and polar ice caps are being reduced. Storms are gaining intensity. And rainfall is extreme in some places and nonexistent in others.

These changes are the result of the increasing levels of greenhouse gases that

we now have in our atmosphere.

I understand that today's concentrations of CO_2 are higher than they've been in 600,000 years. Every extra gallon of fuel that we burn spews about 20 pounds of carbon dioxide into the atmosphere. We need to do everything possible to stop this.

My town recently decided to form an energy advisory committee and asked us to figure out what our carbon footprint was. We measured our electricity, our fuel oil, our propane, because we don't have natural gas, and other sources of emissions. And from that we learned that about 42 percent of our emissions came from our vehicles.

In my situation, I have a Prius and a Toyota Sienna. The Sienna is a 1998 model with 170,000 miles on it, and I'm kind of embarrassed to be driving it because it only gets 17 miles per gallon. For about the last four years I've been looking for a substitute.

I have three elderly parents and parents-in-law, and together there are six of us, with my wife and my son and myself. We need to take little trips together. I'm looking for something that's fuel efficient. I'd like to have something that would get 35 to 40 miles per gallon. You know there is no such vehicle on sale in this country today. There is no minivan that gets that kind of mileage. There are several SUV's that will seat five, but none that will seat six.

Do you know that since 2002 in Japan they've had the Toyota Estema, which is a small minivan that's a hybrid, and it gets about 45 miles per gallon. There is also a Mazda 5 which is sold here, but not with a diesel engine which gets around 40 miles per gallon with a diesel engine, but about 27 with a gasoline engine. But it's not being sold here.

It seems to me it's clear that the reason these vehicles are not being sold here that could meet my needs and help reduce global warming is because CAFE standards are not high enough to encourage vehicle manufacturers to bring these high mile per gallon vehicles in as part of their fleets. We need to make a change in that.

T. Boone Pickens, who is a long time republican supporter, and a very successful oil man is mounting a major effort to encourage us to switch to wind and solar and geothermal energy for power generation. He's also said, perhaps we could use a little natural gas to power our vehicles.

His main message is, "I've been an oil man all my life, but this is one emergency we can't drill our way out of." He's investing in a substantial amount of solar energy in a place called Pampa, Texas, in the middle of the state. This is going to create many new American jobs, with a great deal of new technology.

It should be very helpful if we begin to look at some of these technologies in terms of American jobs, and American development.

In summary, I wish to say that I disagree strongly with the arbitrarily low future gasoline prices contained in NHTSA's calculations. It's just incredible that you would use mileage figures for gas costs per gallon for gasoline that would be that low. It's just so impractical, considering our current situation.

I also disagree with your belief that we're not going to have any substantial amount of hybrid vehicles introduced until 2014. They've been around for years, and Ford and General Motors, Honda, Toyota, are making them and selling them today in large

quantity.

I disagree with your assumption that the rate of adoption of hybrids is going to be as low as you say it is. I finally say, we stand at a fork in the road, and we can continue to consume fossil fuels and complain about high prices and make only incremental change [sic] in our energy policies, or, on the other hand, we can shift our sights to renewable energy sources and accept the investment and the other costs that that may entail.

I don't think it's a question of whether we're going to do this. Forces are going to push us into doing it because of the high cost of fuel, and because of the high demand coming from other countries. One thing is certain, the sooner we start our journey, the faster we'll reach our destination. Thank you.

MR. KRATZKE: Thank you, Mr. Teal. Is Alina Fortson here?

MS. FORTSON: Hi. My name is Alina Fortson, and I live and go to school in Berkeley, California. Thank you for the opportunity to comment today.

I am here because I think that addressing global climate change is one of the most important issues for this generation. I know that we currently have solutions that reduce greenhouse gas emissions in addition to improving our economy. If we don't act fast, we're going to lose the opportunity to make a difference.

Sutter Creek, the town where I went to high school, is in a rural area in Northern California. Public transportation is lacking, and many families live at least 30 minutes from basic necessities, such as supermarkets and schools, and close to two hours

from Sacramento, the closest metropolitan city.

As you can truly imagine, the price and efficiency of fuel has a significant impact on this community. It is critical that we address both the economic and the environmental impact of our oil dependence, and take steps to curb them both.

In order to address climate change, scientists are stressing the importance of achieving an 80 percent reduction in greenhouse gas emissions by the year 2050. This means making small reductions in all of our emission areas, including transportation.

The United States transportation sector amounts to approximately 20 percent of our total greenhouse gas emissions. Therefore, measuring our progress requires considering reductions as a portion of that 20 percent, not as part of the global emissions. In this light, every small improvement does make a difference.

If we are to take advantage of our best, and most feasible technology, we would be in a position to reduce our oil use, in addition to lessening the impact that the price of gasoline has on families like mine.

NHTSA's current proposal hinders this potential. Your analysis uses assumptions for future gas prices that are simply unrealistic. Today, Americans are paying nearly $4 per gallon and there's currently no reason to expect prices to drop as low as $2.25.

Basing decisions on these faulty analyses is irresponsible and disregards NHTSA's duty to impose feasible fuel economy standards. I urge NHTSA to consider how this rulemaking increases the strain on the average family and to reevaluate your position on

this issue and on climate change at large. Thank you.

MR. KRATZKE: Thank you, Ms. Fortson. Matt Kirby, please.

MR. KIRBY: Hello. I'm Matt Kirby. I want to thank you for this opportunity to have this hearing. I'm here for two reasons, and that's gas prices and global warming. And these are two crises that are currently facing our country. And they are two crises that NHTSA and the five of you sitting in front of me have the ability to severely help.

I'm from Wisconsin originally. It's a big state, it's a big agricultural base, and it's hurting. And both my parents, they aren't farmers, but they both commute two hours per day. They are strapped.

My dad teaches at a local community college. And several of his students have come forward with these really heartbreaking stories of how they have to cut food out of their food budget to pay to go to his class and to pay to go to work. And it shouldn't be happening in this country. It's criminal. And something has to be done about gas prices.

The only solution that's been presented so far is a stalemate in Congress because Republicans want to drill offshore which everyone knows, Bush' own administration has admitted, it's an insignificant drop in gas prices.

More importantly is facing the reality that this, the way our society is structured, this addiction to gasoline, which Bush has admitted, is fundamentally the cause of also global warming.

So we have two problems wrapped in one. And basically, there is one way

to tackle both problems at once. Tackle the economic and the environmental, the gas prices and the global warming, and that's through fuel efficiency. And that's the power that you people hold in your hands and really need to grasp hold of.

The debate over climate change is done. We know this. I actually just finished a really great book a couple months ago that I was long overdue to read called, the End of Nature by Bill McKibben. It was the first major book written on global warming, and it was written in 1989, almost 20 years ago. And everything he says in that book has come to pass. The science was there 20 years ago, and no one has acted.

And in those, in the past two decades, the science has not only confirmed what he wrote, but actually the destruction is accelerating much quicker, much quicker than anyone actually imagined.

So now the science says we need 80 percent reductions by 2050, as several people have said. And one of the most significant being the cars and light trucks, the 20 percent, the 20 percent of emissions in this country, which emits 25 percent of global emissions. Twenty percent of 25 global emissions. That's the power you have. And that's what you can change and significantly alter the course of global warming.

As far as the environmental impact statement goes, we know we need to look at this proportionally to our domestic emissions, to our 20 percent of our domestic emissions, and not as part of the global outreach to get a better idea of how to evaluate it.

Also, NHTSA has picked 2100 as a time line for measuring success, which seems a little ridiculous, considering we have until 2050 to avert catastrophic climate change.

So I would urge you to actually set a much closer goal, 2020-25 when you actually are going to begin measuring the success.

And it's setting the 35 miles per gallon by 2020, but actually to extrapolate this through 2100, to not say that 35 miles per gallon is the be all, end all fuel efficient standard, because it shouldn't be. That's an arbitrary number in and of itself, based on the unrealistic gas price of $2.25 assumption which is, frankly, an insult to my parents and an insult to the students who can't afford to eat.

Your own analysis shows that between 2011 and 2015 significantly higher standards can be achieved if you only up the presumed gas price at $3.14. So the use of these below cost energy estimates, it violates your own charter to impose mandatory maximum feasible fuel economy standards on a review of economic and technological feasibility. Thank you very much.

MR. KRATZKE: Thank you, Mr. Kirby. Jaafar Rizvi.

MR. RIZVI: Good afternoon. My name is Jaafar Rizvi. I'm a student. I grew up in Vermont. I go to school at Wesleyan University in Connecticut. I'm in D.C. this summer working.

I would like to thank you guys for having this hearing at a time where, you know, I've kind of lost a little faith in the government. It's nice to see the democratic process at work.

But I am here because I am concerned for several reasons that the fuel economy standards that you all have proposed are not strong enough.

According to the DEIS, fuel economy standards should be set at the maximum feasible average that the Secretary of Transportation decides the manufacturers can achieve in that model year, while simultaneously considering technological feasibility, economic practicability, the effect of other motor vehicle standards of the government on fuel economy, and the need for the U.S. to conserve energy.

And I agree with those guidelines. I think they're good. But I fear that NHTSA didn't properly analyze each of those specifically. For example, when considering economic practicability, the report doesn't really go into all of the economic benefits of lowering emissions, as well as the moral issues, which I won't talk about right now.

Emissions relate to global warming which cause or intensify natural disasters. And consider that $90 billion worth of damage was done by hurricane Katrina. That's $90 billion that can't be spent on something else. It can't be spent on helping our economy or investing in clean energy. Some would argue that those are the same things.

Now, of course, these disasters aren't entirely preventable, but it's within our power to lessen the severity of them.

The DEIS report states that 4 percent of the world's global warming emissions come from American transportation. And if we can lower these emissions by 25 percent, we're lowering the global emissions by 1 percent.

If a decrease in 1 percent could decrease, you know, the severity of the next Katrina by 1 percent, you're talking about saving thousands of lives, and you're talking about saving a billion dollars.

Moreover, we can expect to have more than one large disaster every year. We have been having tons all over the world. Katrina was the last huge one in the U.S. But the International Federation of the Red Cross showed in its 2007 world disaster report that there has been an increase in natural disasters of over 115 percent since 2004, totaling 541 individual disasters. It states that this increase has been due entirely to weather related disasters.

And this trend will continue unless a change is made, as there are more and more natural disasters, the amount of money and lives that are disappearing will only skyrocket.

For this reason [sic] I urge and I hope that NHTSA raises emission standards to a level that will consider long term economic and practical affects of global warming, and to reconsider in a more holistic view on economic practicability.

While the DEIS report shows very detailed calculations and extensive research, the claims of NHTSA just don't coincide with the claims of other incredibly credible scientific institutions. Like so many people have said, there's a call for 80 percent reductions by 2050, and this report doesn't seem to acknowledge that.

And that's fine, of course, but since, you know, research was done, but there's no description of where the divergence is coming from. And I've heard environmental scientists talk about why they disagree with this report. And I haven't heard any argument about why they are wrong. So basically, I'm left with the position where I feel like something isn't right with the research that's been done here.

And that makes me skeptical about analysis on two of the other categories that were mentioned before, the need for the U.S. to conserve energy and technological feasibility.

As it stands in the EIS report, optimal fuel economy standards will lower the increase in relative sea level rise from 37.9 inches to 37.8 inches. The decrease in the surface contour of the earth from .789 degrees to .788 by 2030, and that's just so minuscule.

I urge you to increase the standards to 35 miles per gallon by 2015. And I would urge you to consider that this won't cause undue stress on American car manufacturers. In fact, I have tremendous faith in the ingenuity and the ability of the American people, specifically those in Detroit, not only to successfully meet the high standard, but to prosper and thrive and become leaders.

So please give us the push that we all need, and in doing so America will become a leader in tackling the environmental crisis, one of the most important problems of our generation. Thank you.

MR. KRATZKE: Thank you, Mr. Rizvi. I'd like to call Ben Schreiber, please.

MR. SCHREIBER: Hi. Thank you for having this hearing, giving us a chance to talk about this important subject. My name is Ben Schreiber. I'm the energy advocate for Environment America.

Environment America is a federation of 26 state-based environmental organizations. It's also the new home for U.S. PIRG's environmental work, so we have split

off and are our own organization now.

As the energy advocate here in Washington, D.C., I often get asked, what can we do about gasoline prices. And the solution that I'm coming up with, you know, the solution that I have in the short term is tire pressure and tune-ups. That's the best that I can come up with.

The truth is that after 30 years of failed energy policy, where we have the same CAFE standards that we did in 1975, all I can offer for consumers who are hurting right now is tune-ups and tire pressure.

We really need to do something about our fuel economy to offset the consumer's pain at the pump. And we're hearing a lot of talk about drilling. We're hearing a lot of talk about alternative energy. We're hearing a lot of talk about, you know, how what we need to do is increase supply. All of the talk that we're hearing about has incredible environmental impacts.

Increasing drilling off our coasts leaves us open to potentially having catastrophic oil spills, to infrastructure for drilling, to ruining our special and pristine wild places. And these are places that we need to protect. There's no reason that we should be drilling off of our coast, just because we can't get fuel economy right.

There's no reason that we should be subjecting the caribou and other endangered species in the Arctic National Wildlife Refuge to the riggers of oil production to the, you know, the roads and the drilling, and all of the other side effects that come along with it, just because we decide that we can't do fuel economy.

We've been saying since 2005 that we should be able to get to 40 miles per gallon with 10 years. The National Academy of Sciences said that we should be able to get to 37 miles per gallon within 10 years. And we just haven't acted.

And this is without taking into consideration things like hybrid technologies, which are available today.

You know, we're using a price of gasoline of $2.30 to justify doing the bare minimum on fuel economy standards, and yet at the same time the price of $4 is being justified to open up our very last protected wild spaces to more and more oil and gas exploration. And it's unacceptable.

There are, you know, a couple of other serious concerns with the transportation sector and the fuel economy. You know, most Americans don't have choices about where to go when oil prices get high. They, we have very few public transportation options, and Americans are tied to their cars. So in the short term, there's very little that they can do to do that. [Sic]

So we are now feeling the effects of 30 years of inaction on CAFE. We don't want to be in that position, you know, 10-15 years from now. So we need to be taking the steps now so that we can be increasing fuel economy so that we can set the framework so that 10 or 15 years from now when these standards actually kick in and we're getting the new vehicles into the fleet, we're seeing reductions in fuel economy -- I'm sorry, in prices so that Americans can save money at the pump, and so we don't have to drill in our last wild protected spaces, and so we don't have to be dependent on foreign nations for our oil and

energy needs. So thank you very much.

MR. KRATZKE: Thank you, Mr. Schreiber. Is Sarah Alderfer here? No. All right. Thank you for this panel. At this point we are going to call the last listed group that we have.

I'd like to invite Ami Greener, Robert Dawes, Catherine Easton, Elizabeth McGurk, Lala Shamerzan, Natia Hess, Brian Fleming, Sean Calvo, Chad Dougherty, Marsha Rucker, and Charles Yoder up to the table, please. Well, Ami Greener is first.

MS. GREENER: Thank you for the opportunity to speak before you. My name is Ami Greener, and I'm the energy policy specialist and legislative assistant for the American Jewish Committee, which I'm representing here today.

We're the nation's oldest human relations organization with over 175,000 members and supporters represented by 31 regional chapters in the U.S. and eight overseas.

AJC is a long time advocate of the need to develop energy policy that will reduce our nation's dependence on foreign energy sources as well as protect the environment. More than 30 years ago, prompted by the then recent Arab oil embargo, AJC first adopted a policy statement on energy. Over the succeeding years, as the nation coped with energy supply shock in the seventies, coupled with concerns about the environment, safety and tanker dependency, agency adopted and acted on several additional statements that reflected the agency's concern that our nation address an increasing dependence on imported oil, and its impact in a fashion consistent with protection of the environment, and attention to policy impacts on the disadvantaged.

The 911 attacks underscored another crucial consideration, that our national security and our position as world leader are seriously undermined by our dependence on foreign nations.

All too often dollars used to purchase important oil end up supporting regimes such as the governments of Iran and Venezuela whose values run counter to those of America, and in some instances present a strategic threat with potential to disrupt oil supplies world wide, adversely affecting the world and U.S. economies with resulting loss of jobs, a decreased quality of living, and harsher conditions for low income families.

Further, the great transfer of wealth abroad created by our reliance on foreign oil sources, whether to hostile regimes or otherwise, diverse resources that if invested at home could help create good jobs and fund much needed investments in education, social initiatives, and physical infrastructure.

As we've experienced in the past, energy prices have decreased for periods of time, and with such fluctuations, Americans have become less sensitive to the need for this type of policy. Today, they've seen record prices at the pump.

We feel that the need for further action on energy security is more urgent than ever, both by assuring safe and sustainable energy sources, and through renewed attention to issues of conservation and efficiency.

While the U.S. comprises less than 5 percent of the world's population, it consumes approximately 25 percent of the world's oil. Two-thirds of all oil consumed nationwide in the U.S. goes for transportation. A drop in domestic oil production, coupled

with increased consumption, has created a scenario by which the U.S. is more reliant on foreign oil sources than ever before.

Moreover, climate change, which the weight of scientific opinion holds is accelerated by greenhouse gas emissions from the use of fossil fuel, has the potential to disrupt our way of life, permanently damage the natural environment, create humanitarian crises, and provoke political and strategic conflicts worldwide.

Investment in a clean, renewable energy grid would both reduce greenhouse gas emissions and restore America's technological leadership, helping to build a sustainable economy to again create jobs and wealth at home.

The weight of the evidence demands that we devise policies directed at stemming climate change, was well as adapting to reality. In urging these policies we act in accordance with the Jewish tradition which commits us to the protection of life, stewardship of the earth and its inhabitants and the well being of future generations.

Last year a historic step was taken when President Bush signed into law the Energy Independence and Security Act that included among other provisions a strengthening of CAFE standards for the first time in more than two decades. We think the strengthening of the CAFE standards is one of the most crucial components of a multi-faceted approach to drastically reduce our dependence on foreign oil, reduce global warming emissions, save money at the gas pump, and help secure America's energy future.

These standards, for example, would save the U.S. 1.1 million barrels of oil per day by 2020, approximately 40 percent of what we import today from the Gulf, the

Persian Gulf, I mean.

In proposing a combined average of 31.6 miles per gallon for model year 2015, NHTSA is failing to acknowledge the current technology that could safely and cost effectively make all vehicles reach state-wide fuel economy average of at least 35 miles per gallon by that year.

Further, the current proposal relies on fanciful gas price assumptions, which result in insufficient fuel economy levels. The proposal assumes future gasoline prices of $2.25 per gallon, when American consumers are already paying prices nearly double that today.

The use of the low cost energy estimates violates the agency's charter to impose mandatory maximum feasible standards based upon a review of economic and technological feasibility. NHTSA must reconsider the proposed standards and use its authority to meet the urgent need of the U.S. to conserve oil and meet the growing demand of American consumers for vehicles that go farther on a gallon of gas.

NHTSA should not conclude in its analyses that fuel economy gains are presumed to stop at 2020 levels, but further grow by means of using existing technologies. We see the use of alternative and renewable fuels, new lightweight materials, and electric vehicles taking up a bigger percentage of miles driven in the U.S. in the near future.

Last statement. We cannot overestimate the importance of moving towards tougher fuel economy standards this time. Even if we -- we shouldn't underestimate the challenges this and other actions addressing energy security will entail. But we see no

alternative if we are to put the United States in a more sustainable energy path, essential to both our nation's security and environmental health. Thank you.

MR. KRATZKE: Thank you, Mr. Greener. Is Robert Dawes here?

MR. DAWES: Good afternoon. My name is Robert John Dawes, and I am from (indiscernible) County, Pennsylvania. First and foremost, I greatly appreciate the opportunity to testify before NHTSA today. I come from and represent a small rural farming community located about three miles from Lancaster County, one of the most productive non-irrigated areas of farmland in our nation.

These farmers, who primarily run small dairy and beef operations are the epitome of hard working Americans, are the model for what this country was founded on. Unfortunately, they are now victims of global warming, as well as record high gas prices.

For the past four summers, Pennsylvania has undergone the worst droughts in decades, thus making it virtually impossible for farmers to grow corn, and various feed stocks for their animals. Global warming, coupled with outrageously high fuel prices, has forced many honest, hard working Pennsylvania farms from their homes.

I speak from personal experience, because on my Angus beef farm, the corn crop which we have used to feed our herd or years has required us to consider the use of irrigation for the first time due to low crop yield. Furthermore, the amount of money spent on diesel fuel for one truck as well as one tractor has matched some farmers yearly revenue.

It is gut wrenching to watch my neighbors and fellow farmers sell homesteads that have been in the family for years because of global warming, as well as high gas prices.

Despite these bleak circumstances, I remain hopeful and optimistic. I am optimistic that with the help of NHTSA we can start making manageable emission reductions. For each carbon emitting sector of our economy, each reduction will be part of a larger long term emission reduction plan. As much as I would like there to be a band aid or a short term fix for the farmers of Pennsylvania, there isn't, and all of my peers involved in agriculture know and accept this.

With the increase of global warming emissions and growing oil dependence, our country, not just Pennsylvania farmers, are put at risk. Americans are spending billions of dollars at the fuel pump and yet impacts of global warming are still affecting our nation at an exponential rate.

I hope that NHTSA understands the dire necessity of putting existing fuel saving technology to work by increasing achievable standards for vehicles produced in future years. By doing this alone, these standards would save $54 billion dollars of gasoline over the five years addressed in rulemaking.

Furthermore, by setting standards to 35 miles per gallon in 2015, an additional $22 billion dollars in gasoline would be saved. This translates to 280 million metric tons of CO_2 out of the atmosphere.

Pennsylvania farmers are one part of America that is being hit the hardest by the impacts of high fuel prices and global warming. I'm confident that NHTSA will do everything in their power to stop this quintessential part of American identity from being lost. Global warming is a long term problem in need of immediate action and cooperative

long term solutions, thus ensuring a secure energy future for all Americans, as well as the farmers of Pennsylvania. Thank you.

MR. KRATZKE: Thank you, Mr. Dawes. Is Catherine Easton here?

MS. EASTON: Hello. My name is Catherine Easton. And I'm very thankful for this opportunity to testify today. I feel very strongly about this issue, both as a citizen concerned about global warming, and as a consumer dealing with high gas prices.

Global warming is happening right now, and reducing greenhouse gas emissions by 80 percent by 2050 will save us from the worst effects of global warming. But unfortunately, as I think we've all noticed, 80 percent is a lot and increasing CAFE standards will not achieve this.

In fact, no individual sector could reach such a dramatic decrease. And this is why we must strive for smaller achievable decreases in all sectors. These small decreases combined could make a substantial difference.

There is no point doing nothing, giving up, and ruining the planet for future generations, for my generation and my generation's children, simply because increasing CAFE standards alone won't make the required difference.

So this is a simple step, and let us prove that the United States does have the technology to do this. Let us set a good example for other nations. We worry about China and India developing, and the added pollution that will cause. Let us pave the way towards a solution.

Fuel economy standards are already higher in Europe than in the U.S., so the

technology is available to the auto industry, but the industry feels threatened by the changing of the status quo, and opposes these higher fuel economy standards, just like the industry opposed seat belts, and just like the industry opposed air bags.

But seat belts and air bags did not hurt the auto industry, and neither will increased CAFE standards. In fact, with the price of gas over $4 a gallon, consumers are looking for fuel efficient vehicles.

If saving the environment isn't an important enough reason, if having a safe nonhazardous planet for future generations to live on isn't enough motivation, then increase CAFE standards to save our wallets.

Higher gas prices increase the price of going to work, so people need to pay exorbitant amounts of money just to make money. Senator McCulsky from Maryland said that when President Bush took office, the average family spent a little over $3,000 a year on gas. Now that average family spends $5,000 a year on gas, and pays more for food, too, because of higher transportation costs.

$2,000 sends a kid to a community college for a year, and $2,000 can alter a family's lifestyle. We pay too much for gas, but more drilling is not the solution. People have been warning for years that there is a finite supply of oil.

Even if we grant oil companies new leases for drilling, it will be 10 years before oil from those leases will be pumped into our cars. Even if we drill more, we will still not produce enough to satisfy U.S. demand. We will still depend on foreign nations for oil, and we will still risk our national security for oil.

Even if we drill more now, there will still come a time then the world's supply of oil runs out. We must fight our addiction to oil, reduce our oil consumption, so that when that day comes, the United States economy will not crash.

Agriculture, industry, transportation and services will continue by using alternative energy sources. This is not a transition that can happen overnight. We cannot wait for the world to run out of oil to begin looking for alternatives. This must be a gradual transition. So why not start by improving CAFE standards. Thank you.

MR. KRATZKE: Thank you, Ms. Easton. Elizabeth McGurk.

MS. McGURK: Hello, and thank you for this opportunity. My name is Elizabeth McGurk, and I am here because as a person of faith, an employee of the National Counsel of Churches and Christ, I recognize that we all have a responsibility to be stewards of God's world, and to care for one another.

Achieving higher fuel economy standards for U.S. cars and trucks is one of the most important actions we can take to reduce our greenhouse gas emissions which are causing global warming and impacting both God's people and God's planet.

Increasing CAFE standards is a critical step that must be taken to reduce pollution and curb greenhouse gas emissions that cause global warming, while protecting those who already suffer from high gas prices.

Improved CAFE standards would mean more vital discretionary income for low income working families to spend on necessities like food, health care, and housing. Significantly improving CAFE standards will also reduce U.S. dependence on oil, and

decrease the need to open sensitive wilderness areas, including the outer continental shelf to oil and gas exploration.

As a native Floridian, I know too well that our communities are already beginning to feel the effects of global climate change. During my freshman year at Eckert College in St. Petersburg, Florida, in 2004, we were evacuated four times in one month for four different hurricanes.

I am worried about the ways in which global climate change and our country's dependence on extractive nonrenewable resources will affect my home state, and my friends and family members living there. I know that the costs, both tangible and intangible of doing nothing will far exceed the cost of taking action now.

I urge you to strengthen the current proposed standards by setting a new standard of at least 35 miles per gallon by 2015.

Genesis 2:15 calls us to till and tend the garden. Toward that end, we have a moral obligation to choose the safest, cleanest, and most sustainable sources of energy to protect and preserve God's creation. God calls on us to be wise caretakers of the earth's gifts, protecting air and water quality, as well as ecosystems and human community. Good stewardship includes reducing to the greatest extent possible the human generated carbon dioxide emissions that are causing global warming. Thank you.

MR. KRATZKE: Thank you, Ms. McGurk. I can run down this list of names, but I think you're Ms. Spear, and before you go, sir, would you like to -- yes. I think you're the last one. Or I can read off Layla Shamarisian, Mataya Sess, Brian Fleming,

Sean Calvo, Chad Dougherty, Marsha Rucker, Charles Yoder. Very good. Mr. Yoder.

MR. YODER: My name is Charles Yoder. I'm from Baltimore. For identification purposes, I retired about two and a half years ago from a 35-year federal career that included 12 years on the staff of the Senate Committee on Veterans Affairs, and most recently four years as counselor to the Secretary of Veterans Affairs.

Now, I hasten to add that I am speaking for myself and not any government department or member of Congress. I have been retired for over two years.

And I think we can stipulate the importance of climate change. CAFE standards are one step that the Congress has taken to address that challenge. And I think we can say, and I want to emphasize that climate change is not abstract. It's real. The words that you write are not an abstract environmental analysis. They're not a sterile exercise in rulemaking. They'll affect the planet. They'll affect everybody that lives on this planet.

But your charge right now is an EIS. I've noticed that your EIS puts your actions, proposed actions and alternatives in the context of the world. That was addressed by someone as I came into the hall earlier, in the context of the entire planet, not just in terms of the U.S.

If you choose to do that, then I think we need to look at the implications of our national addiction to oil in a world context, in a world wide context.

Our country invests enormous treasure and enormous numbers of lives ensuring our access to oil. In my career I veterans affairs I've talked with surviving spouses, with orphans of young men and women who have died protecting our access to oil. I've

talked with young men and women who were maimed for life protecting our access to oil, and it is those conversations that drag me down here from Baltimore.

Now, you will correctly note that you are writing an environmental impact statement, not a human impact statement, and this is not the forum to discuss whether or not that's an artificial discussion. But if the U.S. is going to continue our addiction to oil, then we need to address the impacts on a worldwide basis, and the environmental costs of any standard other than the strictest possible standard are enormous simply because there are powerful nations, not just the U.S., there are many powerful nations seeking access to a limited supply of a resource that overwhelmingly is located in an unstable part of the world.

And I think it's only reasonable to assume that there will be additional conflicts over the next generation, and that those conflicts will have enormous environmental impacts.

So if you're going to consider things in a world context, you need to consider the environmental impact of future wars, and those impacts must weight on the balance as you make your decision of the alternatives available to you in this rulemaking process. Thank you.

MR. KRATZKE: Thank you, Mr. Yoder. Ms. Spear.

MS. SPEAR: Hello. My name is Emily Spear, and I thank you for allowing me to speak today. I am here to voice my concern about the imminent impacts of global warming and the effects of our strong dependence on oil.

Growing up in Southwest Florida, I spent much time exploring beaches,

fishing, and learning about coastal marine and wildlife. I love going to Sandibel Island and Captiva to enjoy the outdoors, bike riding, picnicking, walking around town.

Unfortunately, these beach communities and islands are now threatened by global warming. I'm concerned that my grandchildren may not have the same opportunity to enjoy this area and to see the same beauties which I have been so lucky to see.

At the rate we're going, pieces of Sandibel and Captiva may be gone before my grandchildren or my great grandchildren are old enough to visit these treasures, or smaller Southwest Florida barrier islands in their entirety may be lost forever.

Increasing fuel economy standards would be one step in curbing global warming. Scientific reports have concluded that in order to avoid catastrophic effects of global warming, we must reduce our greenhouse gas emissions by 80 percent by 2050, 2050.

This issue is staring us in the face, but I believe that NHTSA can do its part by requiring vehicles to be more fuel efficient. We know that carbon emissions from transportation mechanisms are great at 20 percent, which contribute directly to global warming. However, it concerns me when NHTSA's draft environmental impact statement analyzed the resulting benefits of greenhouse gas emissions from higher fuel economy standards in an improper context, which makes the greenhouse savings appear insignificant, though increasing fuel economy standards to 35 miles per gallon by 2015 would save 280 million metric tons of carbon dioxide.

The transportation sector has the power to help decrease the amount of carbon emitted into the environment by increasing the fuel efficiency standard.

My second main concern is about America's dependence on oil, as it is a national security issue. Our country feeds off of foreign oil, which causes us to be in the pockets of many nondemocratic governments. Increasing our fuel economy standard to 35 miles per gallon by 2015 would save us 300,000 gallons of oil per day by 2020.

Taking this simple and achievable action would help us decrease our dependence on oil, would allow us to take back control, and would help stabilize some issues with security.

Increasing the fuel economy standard would be one step, one great step toward the path that many other sectors could also, and should also follow. This is a community effort. We can do this. The transportation sector has the ability to add their contribution by increasing fuel economy standards, if we know that currently America has the capacity to increase standards to 35 miles per gallon by 2015, what's stopping us?

We have the ability to lead the world by setting an example. We have the ability to make our country more independent. We have the ability to save future generations. We need to make the choice to increase fuel economy standards. Thank you.

MR. KRATZKE: Thank you, Ms. Spear. At this point, we have run through the list of speakers who were registered. Is there anyone here who would like to speak who hasn't already done so?

If not, I would like to sincerely thank each of you for your comments on the analysis and our Draft Environmental Impact Statement. I am sure that I'm speaking for the entire panel when I say that it's different and it's more immediate when you hear and see a

person, as opposed to just reading their thoughts.

You've given us a lot to think about. We want you to know that your views, your thoughts are very important to NHTSA on this subject. Please make sure that you submit comments to our docket. It's open. It closes in two weeks. If you could give us something in writing in addition to this, we have taken a transcript. It will be in the docket. So we will consider this. But if you have other things you've thought of or smaller points that didn't fit into five minutes, it would really be helpful to us if you would submit that to our docket which closes on August 18th.

Thank you for taking the time to come here, and that's it for us today. Thanks again.

(Whereupon, at 2:51 p.m., the hearing was concluded.)

C E R T I F I C A T E

DEPOSITION SERVICES, INC., hereby certifies that the attached pages represent an accurate transcript of the electronic sound recording of the proceedings before the National Highway Traffic Safety Administration in the matter of:

PUBLIC FORUM

Corporate Average Fuel Economy

Draft Environmental Impact Statement

By:_____ Date:_____

Teresa S. Hinds, Transcriber 8/08/08