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ONE HUNDRED NINTH CONGRESS

U.S. House of Representatives
Committee on Energy and Commerce
Washington, DC 20515-6115

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May 17, 2006

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OPPOSE THE REPUBLICAN CAFE BILL!

Dear Democratic Colleague:

We may not always agree on how best to regulate motor vehicle fuel economy, but we do agree that the Republican CAFE bill is an over-broad delegation of vague authority that is bad for the environment, bad for jobs, and bad for the nation. We urge all our colleagues to oppose this legislation.

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- **ALL 26 DEMOCRATIC MEMBERS OF THE COMMITTEE ON ENERGY AND COMMERCE VOTED AGAINST THE REPUBLICAN PROPOSAL.** Please read our dissenting views (attached).
- **SHAM PROCESS** - This is not a serious attempt to legislate the important and complicated subject of vehicle fuel economy. Two weeks ago the Committee held its first hearing on fuel economy in over a decade. Last week, while the official record of the hearing remained open, the Committee considered draft legislation in a hasty open markup.
- **WILL NOT LOWER GAS PRICES** - The Committee received testimony from six witnesses, including the Secretary of Transportation, that this bill will not affect gas prices in the near-term.
- **IT MAY ROLL BACK EXISTING FUEL ECONOMY LEVELS** - The bill allows the Secretary of Transportation to deviate from a system of fleet-wide averaging. While each category of vehicle may become more efficient, without fleet-wide averaging there is no requirement that manufacturers balance production of less efficient vehicles with other more efficient vehicles. This could result in an overall reduction of current fuel economy levels.
- **JEOPARDIZE AMERICAN JOBS** - By allowing the Secretary to deviate from fleet-wide averaging, it may undercut the distinction between foreign and domestic fleets. Manufacturers would no longer have an incentive to build small cars in the United States, placing thousands of manufacturing jobs at risk.

- **OPPOSED BY LABOR AND ENVIRONMENTAL GROUPS** - This legislation is opposed by: the United Auto Workers (UAW), Consumer Federation of America, ACEEE, Center for Auto Safety, Defenders of Wildlife, Earthjustice, National Environmental Trust, National Wildlife Federation, Natural Resources Defense Council, Physicians for Social Responsibility, Sierra Club, Union of Concerned Scientists, U.S. PIRG, and Consumers Union.

Please reject this ill-conceived Republican CAFE bill.

Sincerely,


JOHN D. DINGELL


EDWARD J. MARKEY

Dissenting Views
of
**Representatives John D. Dingell, Henry A. Waxman, Edward J. Markey, Rick Boucher,
Edolphus Towns, Frank Pallone, Jr., Sherrod Brown, Bart Gordon, Bobby L. Rush, Anna
G. Eshoo, Bart Stupak, Eliot L. Engel, Albert R. Wynn, Gene Green, Ted Strickland,
Diana DeGette, Lois Capps, Michael F. Doyle, Tom Allen, Jim Davis, Jan Schakowsky,
Hilda L. Solis, Charles A. Gonzalez, Jay Inslee, Tammy Baldwin, and Mike Ross**
on
**H.R. _____, A bill to amend the Automobile Fuel Economy Provisions of
Title 49, United States Code**

This is a flawed bill that has resulted from a flawed legislative process. All 26 Democratic Members of the Committee on Energy and Commerce voted against the Committee Print. It delegates vague and over-broad authority to the Secretary of Transportation, the consequences of which are not fully understood. By deviating from fleet-wide averaging, it may result in a rollback of existing environmental regulation and may undermine existing incentives for manufacturers to produce small cars in the United States. Moreover, there is no question that the Committee Print will not reduce gas prices in the near-term.

Process

The Subcommittee on Energy and Air Quality held no hearings and did not consider any legislative proposals in open markup. The Committee held one hearing on May 3, 2006, the first hearing on Corporate Average Fuel Economy (CAFE) standards in over a decade. Six witnesses testified with divergent views on how best to reform the system that regulates the fuel economy of automobiles, and the official record of the hearing remains open for additional information. While high gasoline prices have brought about a rush of legislation to the House floor, all witnesses at the hearing, including the Secretary of Transportation, agreed that legislation increasing CAFE standards will not affect gas prices in the near-term. The Committee did not receive any expert testimony supporting the bill, nor did it have the benefit of the Administration's views. The Department of Transportation did submit its own different legislative proposal a few hours prior to the Committee's consideration of the Committee Print.

Authority to Increase Passenger Car CAFE Standards

The Secretary of Transportation is already authorized under Title 49 U.S. Code Section 32902(c) to increase passenger automobile fuel economy standards above 27.5 miles per gallon or below 26.0 miles per gallon. In response to a question from Chairman Barton, Secretary Mineta stated, "there is no question that we have authority to set the stringency of the CAFE standard, in other words, the miles per gallon." Consequently, the primary purpose of the Committee Print is to grant the Department authority to reform the CAFE system for passenger automobiles.

Over-broad and Vague Delegation of Authority

The Committee Print includes different legislative language authorizing the reform of CAFE for passenger automobiles than the statutory authority the Secretary used to reform CAFE for non-passenger automobiles. The discrepancy was not explained, and it is not clear what the consequences of the new language may be. The Committee Print authorizes the Secretary to set a

standard based on one or more vehicle attributes related to fuel economy. Few elements of a motor vehicle are not related to vehicle fuel economy. In response to questions from Rep. Dingell, committee counsel conceded that an attribute could include fuel type, external ornamentation, number of doors, the type of tires, and numerous other features.

Fleet-wide Averaging

By permitting the Secretary to set standards based upon one or more vehicle attributes, the current system requiring manufacturers to satisfy an overall fleet-wide average could be eliminated. Without fleet-wide averaging, the separate foreign and domestic fleet requirements would no longer require manufacturers to produce small vehicles domestically. In a May 10, 2006, letter opposing the Committee Print, the United Automobile Workers (UAW) states that “the legislation would directly threaten the jobs of tens of thousands of American workers employed in plants that assemble or produce parts for small cars.” The lack of a fleet-wide average could also decrease the overall fuel economy of vehicles sold in the United States. The UAW notes, “auto companies could simply up-weight or up-size their vehicles, yet still satisfy lower overall CAFE requirement for larger vehicles. In our judgment, Congress should not give its blessing to any overhaul of the CAFE system that could hurt fuel economy, the environment and our nation’s energy security.”

CAFE Requirement for Foreign and Domestic Fleets

All Democratic Members of the Committee present at the time of the vote voted against an amendment offered by Rep. Stearns to re-evaluate the requirement that manufacturers comply with CAFE standards separately for vehicles produced domestically and overseas. Efforts to undermine the distinction between foreign and domestic fleets, or the requirement that manufacturers comply with a fleet-wide average, could reduce domestic production of small vehicles and reduce overall fuel economy of our vehicles. This would be a negative result for American manufacturing, American workers, and the environment.

Conclusion

This hastily crafted bill will do nothing to reduce gasoline prices, grants over-broad authority to the Secretary of Transportation, may result in poorer fuel economy for passenger vehicles, and threatens American jobs. It should be defeated.