

## **Motor & Equipment Manufacturers Association**

Your First Call for Global Intelligence on the Motor Vehicle Supplier Industry

1225 New York Avenue NW, Suite 300 • Washington, DC 20005 202-393-6362 • Fax: 202-737-3742 • www.mema.org

February 25, 2008

The Honorable Jim Nussle Director Office of Federal Procurement Policy Office of Management and Budget 725 17<sup>th</sup> Street NW, Room 9013 Washington, DC 20503

SUBJECT: Proposed OFPP Policy Letter

Dear Director Nussle,

The Motor and Equipment Manufacturers Association (MEMA) represents almost 700 companies that manufacture motor vehicle parts for use in the light vehicle and heavy duty original equipment and aftermarket industries<sup>1</sup>. On behalf of these members, MEMA congratulates you on the release of the federal procurement policy on the acquisition of green products and services and urges you to clarify the vehicles eligible for this program.

Motor vehicle parts suppliers provide nearly two-thirds of the value of a new vehicle. The industry is a leader in the development of safety and energy technology critical to creating today's vehicles and those of the next generation. Suppliers account for 40 percent of total automotive investment in research and development and continue to take on a greater role in the design, testing, and engineering of new vehicle parts and systems.

MEMA and its member companies strongly support the goals of a federal procurement policy that encourages the purchase and use of fuel efficient vehicles. However, the policy proposed in the December 28, 2007 *Federal Register* does not incorporate the most recent congressional actions. The policy should be updated to use the definition of "advanced technology vehicles" contained in H.R. 6 in lieu of limiting fuel efficient vehicles to those defined by previous legislation.

H.R. 6, the Energy Independence and Security Act of 2007, mandates that federal agencies purchase only low greenhouse gas emitting vehicles, reduce petroleum use, and increase

<sup>&</sup>lt;sup>1</sup> Motor vehicle parts suppliers are the nation's largest manufacturing sector, directly employing 783,100 U.S. workers and contributing to 4.5 million private industry jobs across the country. Suppliers manufacture the parts and technology used in the domestic production of more than 11 million new cars and trucks produced each year, as well as the aftermarket products necessary to repair and maintain over 247 million vehicles on the road today.







alternative fuel consumption through a variety of means including the use of alternative fuels, acquiring vehicles with higher fuel economy, and other means. Section 136 of the Act defines "advanced technology vehicle" as:

- 1) ADVANCED TECHNOLOGY VEHICLE- The term "advanced technology vehicle" means a light duty vehicle that meets –
- (A) the Bin 5 Tier II emission standard established in regulations issued by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act (42 U.S.C. 7521(i)), or a lower-numbered Bin emission standard;
- (B) any new emission standard in effect for fine particulate matter prescribed by the Administrator under that Act (42 U.S.C. 7401 et seq.); and
- (C) at least 125 percent of the average base year combined fuel economy for vehicles with substantially similar attributes.

It is worth noting, that since this definition is performance-based, it can accommodate potential future technologies. MEMA strongly urges OMB to use this definition as the most recent reflection of congressional intent. Additionally, this definition will include and expand on the definition that only reflects the Energy Policy Act of 1992 and 2005.

Thank you for your leadership in this important matter. Please do not hesitate to contact me if you have additional questions.

Sincerely,

Ann Wilson

Senior Vice President

Motor & Equipment Manufacturers Association

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