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**Select Committee on
Energy Independence and Global Warming
U.S. House of Representatives**

June 24, 2008

The Honorable George W. Bush
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

Yesterday marked the twentieth anniversary of Dr. James Hansen's prophetic testimony to Congress that man-made greenhouse gas emissions were warming the Earth to dangerous levels. Dr. Hansen briefed the Select Committee on Energy Independence and Global Warming on his current views on the state of the climate, and he told us that dramatic action was needed to avert environmental damage that would harm our society and our economy as well as the rest of the world. It is against this backdrop that the country (and the world) anxiously awaits the Administration's response, as required by the Supreme Court decision in *Massachusetts v. EPA*, as to whether greenhouse gas emissions from motor vehicles and fuels constitute a reasonably anticipated threat to public health or welfare (a so-called 'endangerment finding'), and if so, what new rules should be put in place to mitigate against such a threat.

On May 14, 2007, you directed EPA, along with other agencies, to prepare a regulatory response to *Massachusetts v. EPA* by the end of 2007 and to complete it by the end of 2008.¹ According to reports, EPA staff spent about six months developing this proposal, and transmitted both a positive finding of endangerment to the White House Office of Management and Budget (OMB) and a draft regulatory proposal to require the equivalent of a 35 miles per gallon (mpg) fuel economy standard from the fleet of cars and light trucks by 2018 to the National Highway Traffic Safety Administration (NHTSA) in early December, 2007.

After a lengthy negotiation with EPA and the White House Counsel's office following the April 3, 2008 issuance by the Select Committee on Energy Independence and Global Warming of a bipartisan subpoena, these documents were recently made available to Select Committee staff.

Based on Committee staff's review of EPA's draft Endangerment Finding and the Draft EPA Vehicle Preamble to NHTSA, entitled, "Control of Greenhouse Gas

¹ See <http://www.whitehouse.gov/news/releases/2007/05/20070514-4.html>

Emissions from Motor Vehicles,” dated December 5 and 14 2007, respectively, we now know that last December the EPA – the expert agency charged with administering the Clean Air Act – was prepared to make appropriate recommendations based on the science and the law to combat global warming. Yet for reasons that remain cloaked in secrecy, those recommendations from the administration’s science and legal experts were discarded. Instead, as EPA Administrator Stephen Johnson informed me in a March 27, 2008 letter, the EPA was instead preparing, apparently at the direction of the White House, a plan for no-action during your watch: an Advanced Notice of Proposed Rulemaking (ANPR) that would ensure the sun would set on the Bush Administration without any regulatory action taken on global warming. The White House’s last-minute U-turn in response to a Supreme Court mandate is deeply troubling. But we will not know how troubling, and how completely the legal and scientific conclusions that EPA reached in December will be discarded, until the ANPR is released.

Here are some key conclusions from the December 5 and December 14, 2007 EPA documents reviewed by the Select Committee that should be included in any legal and scientific-based ANPR:

- EPA Administrator Johnson determined – consistent with the views of his scientific and technical advisors – that man-made global warming is unequivocal, the evidence supporting an endangerment finding is both compelling and robust, and the EPA Administrator is required by law to take actions to prevent harm rather than waiting for harm to occur before acting.
- EPA determined that greenhouse gas emissions may reasonably be anticipated to endanger public welfare and that greenhouse gas emissions from motor vehicles and combustion of fuels for onroad and nonroad vehicles and engines do contribute to global warming and should be regulated by EPA under the Clean Air Act.
- EPA believes that dangers to public health or welfare associated with man-made global warming include an increase in the intensity and magnitude of severe heat waves, sea level rise leading to increased storm surge flooding and shoreline erosion, reduced availability of water in water-constrained areas of the country, increased wildfire and insect outbreaks, an increase in heavy precipitation events, an increase in regional ground-level ozone pollution, and changes in the range of vector-borne diseases.
- EPA concluded that the existence of some potential benefits associated with global warming (such as short-term increases in some agricultural yields) does not outweigh the preponderance of the evidence of risks and adverse impacts.
- EPA proposed that regulations to reduce greenhouse gas emissions from motor vehicles be implemented in order to achieve the equivalent of a 35 mpg car and light truck fleet average by 2018 (with the car fleet averaging 38.4 mpg by 2018 and the truck fleet averaging 31 mpg by 2017).
- These proposed standards were estimated to yield annual net societal benefits of almost \$55 billion by 2040. It bears emphasis that these benefits were calculated using Energy Information Administration’s (EIA’s) 2007 mid-range projected gasoline prices of \$2.03/gallon in 2017 to \$2.22/gallon in 2030. (These

projections were the most recent data available at the time the materials were prepared.) EPA's analysis concluded that the benefits would be much higher using more realistic gasoline prices because higher gasoline price projections would increase the consumer savings associated with driving more efficient vehicles.

- The proposed standards were estimated to add 3-5% to the cost of purchasing a new vehicle, but even using \$2/gallon gasoline, these costs would be recouped in five years or less. The payback period would be much faster using more realistic gasoline prices.
- EPA also assumed that these proposed miles per gallon standards could be increased beyond 35 mpg in the final regulations, because gas prices are the most critical element in setting mpg levels, and projections of gas prices were expected to be increased by the EIA in its 2008 report. Higher gas prices significantly increase the consumer benefits of the more efficient vehicles as well as expand the number of fuel efficient technologies that would be economically practicable to incorporate, leading to more stringent standards.
- EPA found that gasoline savings, which are obviously determined by the projected price of gasoline, is by far the largest consumer benefit associated with the higher fuel efficiency standards. EPA's model did not take into account benefits from reductions in greenhouse gas emissions, so if these are included the benefits would be higher.
- When EPA used the EIA 2007 high gasoline price projections of \$2.75 in 2017 to \$3.20 in 2030 to calculate standards, it found that the car fleet could achieve a standard of 43.3 mpg by 2018 and light trucks could achieve a standard of 30.6 mpg by 2017.
- EPA developed its proposed standards in close consultation with NHTSA, found that they were compatible with the fuel economy standards set by NHTSA, and concluded that those gains could be achieved without undue adverse impacts on the auto industry, its workers or consumers.

The ANPR will be measured against these specific regulatory recommendations and proposals, which are the scientific and legal conclusions of the Administration's expert agency. To do less would be a blatant denial of the overwhelming scientific evidence indicating that greenhouse gas emissions are dangerous, would overrule the scientific and legal recommendations of the EPA, and would further undercut your Administration's credibility on matters related to climate change both here and in the rest of the world.

Sincerely,


Edward J. Markey
Chairman

cc: Rep. F. James Sensenbrenner, Ranking Member