

Congress of the United States

Washington, DC 20515

January 10, 2024

The Honorable Mike Johnson
House Speaker
H-232, The Capitol
Washington, D.C. 20515

The Honorable Mitch McConnell
Senate Minority Leader
S-230, The Capitol
Washington, D.C. 20510

Dear Speaker Johnson and Leader McConnell,

We write to express deep concerns with the National Highway Traffic Safety Administration's (NHTSA) proposed Corporate Average Fuel Economy (CAFE) standards for passenger cars and light duty trucks.¹ NHTSA's CAFE proposal, similar to an Environmental Protection Agency proposal, would require two-thirds of all new light-duty vehicle sales to be electric by model year 2032.² These proposals create multiple adverse outcomes for American pocketbooks, security, and mobility. We request that any FY2024 government funding package include language that would prevent NHTSA from finalizing, implementing, or enforcing these proposed CAFE standards.

NHTSA's proposed rule would increase fuel economy standards for passenger cars by two percent annually and for light trucks by four percent annually. According to NHTSA, the industry fleet-wide average for such vehicles would start at around 49 miles per gallon (mpg) in model year 2027 and top out at right about 58 mpg in model year 2032.³⁴ Only electric vehicles and plug-in hybrids would be able to meet this standard.⁵ In contrast, EPA's 2023 Automotive Trends Report estimated the real-world fuel economy to be 25.4 miles per gallon.⁶ NHTSA's dramatic proposal appears out of touch with reality and will likely not be achievable in less than a decade.

¹ <https://www.federalregister.gov/documents/2023/08/17/2023-16515/corporate-average-fuel-economy-standards-for-passenger-cars-and-light-trucks-for-model-years>

² <https://www.nhtsa.gov/press-releases/usdot-proposal-updated-cafe-hdpuv-standards>

³ [Federal Register: Corporate Average Fuel Economy Standards for Passenger Cars and Light Trucks for Model Years 2027-2032 and Fuel Efficiency Standards for Heavy-Duty Pickup Trucks and Vans for Model Years 2030-2035](https://www.federalregister.gov/documents/2023/08/17/2023-16515/corporate-average-fuel-economy-standards-for-passenger-cars-and-light-trucks-for-model-years-2027-2032-and-fuel-efficiency-standards-for-heavy-duty-pickup-trucks-and-vans-for-model-years-2030-2035)

⁴ NHTSA currently estimates that the proposed standards would require roughly 57.8 mpg in MY 2032, on an average industry fleet-wide basis, for passenger cars and light trucks. In addition, for the same category, NHTSA estimates the proposed standards would require roughly 48.4 mpg in MY 2027, 50.1 mpg in MY 2028, 51.9 mpg in MY 2029, 53.8 mpg in MY 2030, and 55.7 in MY2031.

⁵ <https://www.cars.com/articles/what-are-the-most-fuel-efficient-cars-466904/>

⁶ <https://www.epa.gov/automotive-trends/highlights-automotive-trends-report>

Even worse, NHTSA anticipates that this proposed rule would result in \$58.6 billion in new costs on automakers.⁷ This means American consumers will be forced to bear the financial burden of NHTSA's proposed CAFE standards. In the proposed rule, NHTSA acknowledges that the new standards are expected to increase the average cost of passenger cars and light trucks by \$932 per vehicle.⁸ This is also before factoring in the \$14 billion in non-compliance penalties the Alliance for Automotive Innovation projects manufacturers to pay between 2027 and 2032 for one in every two light trucks and one in every three passenger cars.⁹ Additionally, these requirements come after NHTSA's final Regulatory Impact Analysis for model years 2024-2026 projected a \$99 billion increase in technology costs and civil penalty payments – which when passed on to customers raises the estimated average vehicle cost by \$1,100.¹⁰ More maddeningly, though, NHTSA's regulatory assessment for model years 2027-2032 offsets the expected, quantifiable, and tangible costs of its proposed requirement with a vague array of “climate benefits and all other benefits”¹¹ that may or may not be realized.

Furthermore, NHTSA's proposal is ceding control of United States automobile supply chains and manufacturing to China with proposed CAFE standards that reinforce the Biden administration's rush to electrify all vehicles. A rapid shift to electric vehicles would increase our dependency on Chinese supply chains, as China dominates the mining, processing, and refining of critical minerals along with the production of electric vehicle batteries. For example, China controls 90 percent of global rare earth element refining capacity, 70 percent of global cobalt refining capacity, and 50 percent of global lithium refining capacity.¹² For batteries, China controls more than 80 percent of anode production and 70 percent of cathode production.¹³

Finally, we believe NHTSA exceeded statutory constraints on its authority in how it reached the recommended levels in this proposed rule¹⁴, creating yet another example of Executive Branch overreach driven by radical rush-to-green policy outcomes. Congress should prevent this disastrous proposed rule from going forward by including language in any funding bill that prevents any funds from being used to finalize, implement, or enforce NHTSA's recently proposed fuel economy rule. Federal agencies should not be working together to force Americans into driving expensive and impractical electric vehicles that are largely dependent on China's manufacturing base. Similarly, we should not be dependent upon energy created by our global adversaries; these autos should be powered by American energy. Americans should keep the ability to choose the vehicle that best fits their needs and that they can afford.

⁷ NHTSA's rule specifically refers to these costs as monetized costs.

⁸ <https://www.federalregister.gov/documents/2023/08/17/2023-16515/corporate-average-fuel-economy-standards-for-passenger-cars-and-light-trucks-for-model-years>

⁹ <https://www.reuters.com/business/autos-transportation/automakers-warn-biden-vehicle-rules-not-feasible-could-cost-14-bln-fines-2023-09-29/>

¹⁰ https://www.nhtsa.gov/sites/nhtsa.gov/files/2022-04/FRIA_CAFE-MY-2024-2026.pdf, page. 17

¹¹ <https://www.federalregister.gov/documents/2023/08/17/2023-16515/corporate-average-fuel-economy-standards-for-passenger-cars-and-light-trucks-for-model-years>

¹² <https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions/executive-summary>

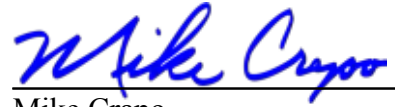
¹³ <https://www.bloomberg.com/graphics/2023-breaking-china-ev-supply-chain-dominance/#xj4y7vzkg>

¹⁴ Section 32902(h)(1) of Public Law 103-272 prohibits the Secretary of Transportation from considering “the fuel economy of dedicated vehicles” in changing and setting fuel economy standards, including “maximum feasible average fuel economy.” NHTSA's consideration of Electric Vehicles materially impacts the stringency of the proposed standards.

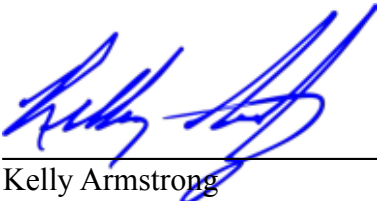
Sincerely,



John James
Member of Congress



Mike Crapo
United States Senator



Kelly Armstrong
Member of Congress



Byron Donalds
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Mike Bost
Member of Congress



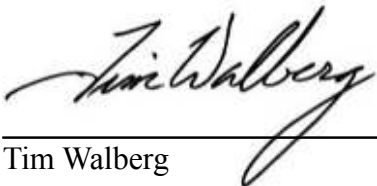
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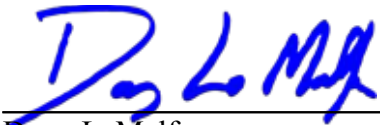
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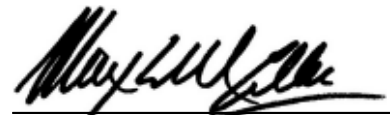
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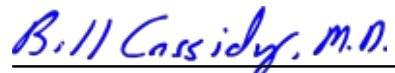
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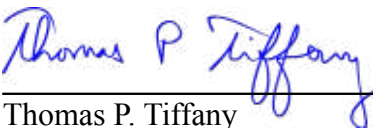
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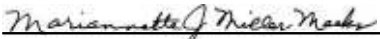
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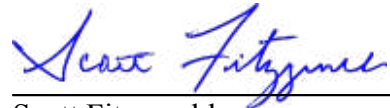
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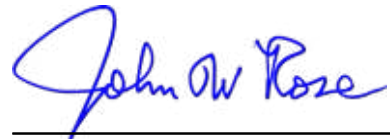
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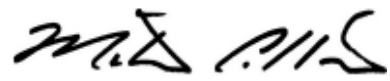
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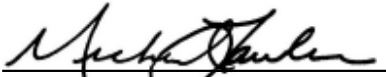
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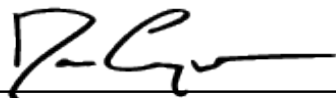
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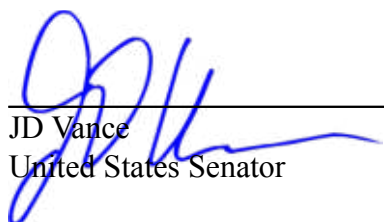
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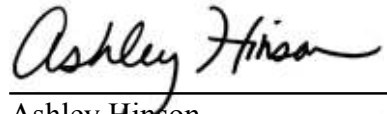
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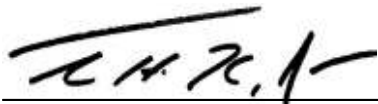
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Marsha Blackburn

Marsha Blackburn

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