



NATIONAL AUTOMOBILE DEALERS ASSOCIATION
Office of Legislative Affairs
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July 12, 2011

Dear Congressman:

On behalf of the nearly 16,000 members of the National Automobile Dealers Association (NADA), I am writing regarding our strong support for an amendment expected to be offered by Rep. Austria during the House Appropriations Committee markup of the FY 2012 Interior, Environment and Related Agencies Appropriations Bill. **The Austria Amendment would reassert Congressional authority to regulate fuel economy and help keep cars and trucks affordable.**

For fiscal year 2012, the Austria Amendment would (1) allow only one agency, NHTSA, to regulate fuel economy and bar EPA from spending money to also regulate fuel economy rules for model year (MY) 2017 and later vehicles; and (2) prohibit EPA from spending funds to allow California to enforce its own fuel economy rules for MY 2017 and later. **The Austria Amendment would NOT alter in any way the existing fuel economy regulations through model year 2016.**

The Austria Amendment is necessary because EPA and California plan to propose a new round of fuel economy mandates three years early this September for MY 2017-25.

Congress gave NHTSA the sole authority to regulate fuel economy in 1975, but in 2009 the White House created a "National Program" that added two new regulators, EPA and California, to also regulate fuel economy. EPA and California are trying to bypass Congress and set new fuel economy standards according to their own design, not the policy enacted by Congress. **It is vital that Congress reassert its authority to regulate fuel economy nationally.**

Members of the Committee are urged to support the Austria amendment because:

- **With severe budget deficits, Congress must reduce government spending** by eliminating overlapping and duplicative regulations.
- **New fuel economy mandates are premature and standards for 2017 do not need to be issued for three more years.** Fuel economy rules are already set through 2016 and the auto industry is just starting to absorb last year's record \$51.7 billion rule.
- **Congress should halt the back door implementation of this "Cap and Trade" regulation that will make vehicles more expensive for consumers.** EPA and California's plan to raise fuel economy standard to 56.2 mpg, which would exceed

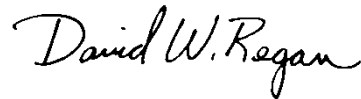
the goal set in the controversial Waxman-Markey bill (Waxman-Markey dictated a 42% reduction in GHGs emissions by 2030; EPA's global warming mandates on vehicles would reduce GHGs by 54% by 2025). These standards would **make it very difficult for manufacturers to make vehicles that consumers want and can afford.**

- **Congress already has granted NHTSA specific statutory tools to increase fuel economy without jeopardizing jobs, safety, and affordability.**

Congress should be concerned that the Administration is reducing the reformed CAFE program, passed by Congress with bipartisan support in 2007, to a near nullity. America's auto dealers support raising fuel economy standards under the CAFE program. We do not support unnecessary and counterproductive EPA and state regulations that will increase vehicle costs to the detriment of consumers.

We urge your support for the Austria Amendment. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "David W. Regan". The signature is written in a cursive, flowing style.

David W. Regan
Vice President, Legislative Affairs