



CREATING GOOD JOBS, A CLEAN ENVIRONMENT, AND A FAIR AND THRIVING ECONOMY

TESTIMONY

Zoe Lipman
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Before the U.S. Environmental Protection Agency and the
National Highway Traffic Safety Administration
RE: Notice of Proposed Rulemaking on the Safer Affordable Fuel-
Efficient
Vehicles Rule for Model Years 2021-2026 for Passenger Cars and Light
Trucks
Docket No. NHTSA-2018-0067; EPA-HQ-OAR-2018-0283
September 25, 2018 – Dearborn, MI

Good morning,

My name is Zoe Lipman and I am the Director of the Vehicles and Advanced Transportation Program at the BlueGreen Alliance. The BlueGreen Alliance unites America's largest labor unions and environmental organizations, together representing millions of Americans. We thank you for the opportunity to testify today.

Over the past decade, under our current fuel economy and vehicle greenhouse gas standards, the automotive industry has brought back hundreds of thousands of jobs and returned to profitability and competitiveness. American workers are building innovative new cars, trucks, and SUVs that consumers have purchased at record levels. These vehicles save consumers billions of dollars a year at the gas pump, enhance America's energy security, cut pollution, and are helping spur a revival in American manufacturing.

Leading fuel economy and greenhouse gas standards have been a critical driver of this innovation, investment, and growth. If we step away from strong, long-term standards now, we risk sending the next generation of vehicle innovation, investment, and jobs overseas.

In a 2017 study that the BlueGreen Alliance produced with the Natural Resources Defense Council we found over 1,200 factories and engineering facilities in 48 states—and almost 300,000 workers—building the advanced components and materials that go into improving fuel-efficiency in today’s innovative vehicles.¹ This is two and a half times as many factories, and almost twice as many workers, as we found in a similar study in 2011.

Looking beyond the supply chain, in a more recent BlueGreen Alliance report we found that since 2008 automakers alone have invested approximately \$76 billion in factories across the country, completing 258 separate investments at 100 factories, with an additional 42 projects at 37 facilities underway or promised by 2020. While some of this investment represents business as usual product and factory upgrades, much reflects enhanced investment to meet leading fuel economy and greenhouse gas standards.²

Our research underscores that what are described as regulatory costs in fact represent a much-needed, multi-billion dollar reinvestment in American manufacturing, products, and jobs nationwide.

¹ Natural Resources Defense Council and Blue Green Alliance, *Supplying Ingenuity II: U.S. Suppliers of Key Clean, Fuel-Efficient Vehicle Technologies* (June 2017). Available: <https://www.bluegreenalliance.org/resources/supplying-ingenuity-ii-u-s-suppliers-of-key-clean-fuelefficient-vehicle-technologies/>.

² BlueGreen Alliance, *Driving Investment: How Fuel Efficiency is Rebuilding American Manufacturing*, (2018) Available at: <https://www.bluegreenalliance.org/resources/driving-investment-how-fuel-efficiency-is-rebuilding-american-manufacturing/>

By contrast, the current proposal put forward by the agencies would throw this progress in reverse.

Freezing fuel economy standards will—by the agencies' own estimate—result in billions less annually in technology investment and, accordingly, in 50 to 60,000 fewer American manufacturing jobs.³

This number is bad enough, but the ultimate economic impact could be even worse.

Not only does purchasing less advanced vehicle technology mean fewer jobs building that technology, but weakened and uncertain standards diminish the value of investments that companies have already made, undermine the certainty they need to commit to major investments in future, and gut incentives for investing in the next generation of technology in America rather than abroad.

In short, this proposal could cede leadership in critical automotive technology to other nations, and disrupt investment and job growth in manufacturing communities across the U.S. We urge the administration to finalize strong, long-term, standards – made in agreement amongst the agencies and California; standards that sustain America's leadership in technology and manufacturing, protect consumers from swings in gas prices, and protect and grow jobs here, not send our jobs abroad.

³ NHTSA, EPA, *The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule for Model Years 2021–2026 Passenger Cars and Light Trucks*, Table VII-5 at Federal Register page 43265

Worldwide, transportation technology is changing fast and our competitors are setting ambitious goals to improve fuel economy and cut emissions. Over the past decade automakers, suppliers and American workers have proven that with the right tools we can compete globally, rebuild jobs and manufacturing, and cut pollution at the same time. But continuing this success will depend on maintaining our commitment to clean vehicle leadership, manufacturing, and good jobs here at home.

Thank you.