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The Honorable Ray LaHood
Secretary of Transportation
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

The Honorable Lisa Jackson
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Secretary LaHood and Administrator Jackson:

Last year the auto industry joined the Obama administration to forge a single national program for fuel economy and greenhouse gas (GHG) emissions. We are committed to engaging in a process to continue a single national program beyond 2016. To that end, we agree that the following principles should guide the upcoming process:

- Building on EPA's and NHTSA's successful collaboration and the overwhelming stakeholder support for establishing harmonized light-duty fuel economy and greenhouse gas (GHG) emission standards for vehicles built in Model Years 2012-2016, EPA and NHTSA will work to develop strong, coordinated National GHG and corporate average fuel economy (CAFE) standards for light-duty vehicles (LDVs) manufactured in Model Years 2017-2025 in a future regulatory program.

- To inform their work, EPA and NHTSA will seek input from an array of stakeholders, including, but not limited to, automobile manufacturers, infrastructure providers, labor unions, and environmental organizations. The agencies will also work with the State of California and other states in this process, recognizing their leadership in this area, as demonstrated by the adoption in 2004 by the California Air Resources Board (CARB) of GHG standards for 2009-2016 light-duty vehicles and the subsequent adoption of those standards by a number of states.

- Specifically, between May 2010 and September 2010, EPA and NHTSA, working with CARB, will meet with stakeholders individually to gather currently available information on viable technologies, costs, benefits, lead times, incentives and other flexibilities and to evaluate other relevant factors, such as infrastructure. EPA, NHTSA, and CARB will develop a staff technical assessment to inform the rulemaking process by:

    1. evaluating emerging technologies to further reduce GHG emissions and improve fuel economy;

    2. identifying the capabilities to commercialize new and existing GHG and fuel economy technologies, including potential costs and market barriers associated with such technologies; and

    3. evaluating possible approaches to help establish in the marketplace an increase in the use of advanced technologies, including, but not limited to, plug-in hybrid, battery electric and fuel cell vehicles.

- By no later than September 30, 2010, EPA and NHTSA will issue a Notice of Intent announcing their plans for setting aggressive performance-based LDV standards for Model Year 2017 and beyond by initiating joint rulemaking and gathering any additional information needed to support regulatory action. The Notice will describe the key elements of the program that EPA and NHTSA intend to propose in the joint rulemaking consistent with their respective statutory authorities, including potential emissions and fuel economy standards that could be practically implemented nationally for the 2017-2025 Model Years and a schedule for setting standards as expeditiously as possible to provide sufficient lead time to industry. The Notice will also acknowledge the appropriateness of a mid-term technology review given the lengthy period of such standards.

- The future regulatory program will aim to make substantial annual progress in reducing transportation sector greenhouse gas emissions and fossil fuel consumption consistent with the Obama Administration's energy and climate security goals.

- The goal of the future regulatory program is to establish harmonized federal standards such that automobile manufacturers will be able to build a single light-duty national fleet that satisfies all federal and state requirements, while enabling consumers to still have a full range of vehicle choices.

- In addition, the program will encourage continuous technological innovation through performance-based standards, as well as stimulating increases in the use of advanced vehicles, hybrid electric vehicles, plug-in hybrid electric vehicles, all electric vehicles, and other cutting edge technologies.

We look forward to working to make this process a success.

Sincerely,

Susan M Cischke

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