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May 9, 2006

Norman Y. Mineta
Secretary
Department of Transportation
400 7th Street SW
Washington, DC 20590

Dear Secretary Mineta:

In light of our conversation at the May 3, 2006 Energy and Commerce Committee Hearing entitled: "H.R. _____, a bill to authorize the National Highway Traffic Safety Administration (NHTSA) to set passenger car fuel economy standards," I thought it would be useful to outline the specific National Academy of Sciences (NAS) material to which I was referring.

You will recall that during the hearing, I asked you whether you supported my legislation which calls for a 33 mile per gallon fuel economy standard for both cars and light trucks, in light of the NAS report entitled "Effectiveness and Impact of Corporate Average Fuel Economy (CAFÉ) Standards", an advance copy of which was released on July 31, 2001¹. You indicated that you could not find in this report any recommendation that fuel economy standards be increased to a particular level.

My reading of this report, both when it was released 5 years ago and today, is that it validates the feasibility of moving to a 33 mpg standard in several places.

First of all, finding 5 of the NAS report states that "Technologies exist that, if applied to passenger cars and light-duty trucks, would significantly reduce fuel consumption within 15 years²."

Second of all, I wish to draw your attention to the NAS analysis regarding 3 different 'technology paths' (see Chapter 3, in particular pages 35-39) that could be used to improve the fuel economy of passenger cars and light trucks. All technology paths assumed \$1.50/gallon of gas, the cost of available technologies at the time, and all assumed a 5% weight increase as a result of the addition of new CAFÉ and/or safety technology. Obviously, these assumptions yield conservative estimates of achievable increases to CAFÉ standards since the much higher cost of gas would imply that more technologies would now be cost-effective by comparison, and

¹ The final version was released on January 14, 2002.

² See page 3, executive summary, finding 5

in addition, that more technologies have presumably been developed in the past 5 years since the analysis was performed.

According to the NAS report³, the first technology pathway assumed technologies that were production-intent (this is defined by NAS as “already available, are well known to manufacturers and their suppliers, and could be incorporated in vehicles once a decision is reached to use them”) and were available to be incorporated within 10 years given their cost and the cost of gas at the time. The second technology pathway assumed technologies that were production-intent that were available to be incorporated within 10 years, if economic (i.e. price of gas) or regulatory conditions justified their use. The third technology pathway required the use of emerging technologies. The NAS report lists numerous technologies which could be incorporated for each size class of vehicle and for each pathway. The fuel economy improvements deemed possible for each of the middle path – the second technology pathway -- technologies add up to a range of achievable fuel economy improvement of 34 - 65.5%. Using the lower bound of this range, or a 34% improvement in CAFÉ standards, one arrives at a new achievable CAFÉ standard of 33 miles per gallon.

This is the basis on which we drafted H.R. 3762, the Boehlert-Markey CAFÉ bill, which currently has 71 cosponsors. It is based on the most conservative interpretation of the middle case described by the NAS in 2001. Clearly, we can do much better than this. With your leadership, we could guarantee that we do not do worse. I look forward to continuing our dialog on this most important subject.

Sincerely,


Edward J. Markey

³ See pages 35-39 for this analysis.