

Regulatory Review for Alternative Fuels Rule, (16 CFR part Matter No. R311002, Program Code M04)

Erin Gibbs

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Federal Trade Commission
Office of the Secretary
Room H-113 (Annex N)
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Washington, DC 20580
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Dear Commission members:

This letter is in response to the call for comment 16 CFR Part 309, Matter No. R311002 by the Federal Trade Commission issued on Wednesday, June 1, 2011. The question being responded to is: What benefits has the Rule provided to consumers? After much research and careful consideration on the matter, I have been able to formulate opinions, and conclude that there are substantial financial and environmental benefits created by the Rule. I have also written a formal, informational report that is available upon request. As labels on AFVs are used to help the consumer be more educated on their potential purchase are a benefit, there are also several other benefits.

The first benefit for consumers is a tax incentive. The Federal Government is rewarding those individuals who purchase AFVs with large tax breaks. In 2010, consumers were offered tax incentives of \$4000.00ⁱ to purchase an AFV. In 2009, tax credits ranged from \$2,500 up to \$32,000ⁱⁱ. Incentives as such as crucial to consumers as saving money during a time of economic can be a priority.

A second benefit is the reduction of fuel cost. Over a five year period a consumer of an AFV could possibly save a substantially higher amount of money on fuel than a consumer who purchases a gasoline fueled vehicle. Currently it would cost approximately \$55.65 to fill up one tank of gas for the 2011 Ford Escape. A like electric vehicle last three times longer on the same amount of gasoline, thus saving the consumer moneyⁱⁱⁱ. Switching from the use of petroleum based gasoline to an alternative fuel, such as biodiesel, allows “the average person to save at least \$30 per fill up.”^{iv} Once again, in a time where money is tight for many people, spending less money at the tank allows for needed spending elsewhere.

The third benefit is the environmental pluses that are created for and by the consumer themselves. With the purchase of AFVs, fewer emissions are produced, thus helping reduce the amount of air pollution caused by vehicles. Research also shows that “more than 515,000 gallons of gas per year will be saved by the AFVs.”^v With less fuel being used by American vehicles, America helps decrease the amount of drilling for oil which is harmful to the environment. AFVs use several different types of fuel. It has been proven that these alternative fuels “produce significantly lower amounts of harmful emissions such as nitrogen oxides, particulate matter, and toxic and carcinogenic pollutants as well as the greenhouse gas carbon dioxide” into the

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environment.^{vi} With the reduction of pollutants, air quality can possibly increase. Also, with a reduction in petroleum fuel use, less fuel is required by our nation from foreign countries.

With new labeling requirements for AFVs at hand, consumers are being granted the opportunity to seek out information on an AFV prior to purchase. As “today’s consumer is a savvy shopper who gathers much information before buying a car” the “decision to go with informative mpg labels fits consumer needs well.”^{viii} Car labels give consumers a sense of control as they search for the best deals.

Along with the benefits consumers receive from purchasing an AFV, the environment also benefits. Mandating labeling requirements is a definite plus for consumers. “Today’s car buyers want the best possible information about which cars on the lot offer the greatest fuel economy and the best environmental performance.”^{viii} By providing fuel and environmental information on new car labels, consumers’ benefit financially and the environment benefits substantially. With “going green” growing ever more popular, providing pollution information, such as smog ratings^{ix} on new car labels allows the consumer the opportunity to select a vehicle that is more environmentally friendly, thus helping make our Earth a healthier place.

I thank you for your time and consideration, as I am aware of your busy schedules. If you have any questions or comments, please feel free to contact me via email at gibbsep@auburn.edu.

Sincerely,

Erin Gibbs

ⁱ *Fuel efficient vehicles: tax incentive information center*. (2011, June 7). Retrieved from <http://www.fueleconomy.gov/feg/taxcenter.shtml>

ⁱⁱ Internal Revenue Service, (2009). *Fact sheet: federal incentive for natural gas vehicle*. Washington, DC. Retrieved from <http://www.ngvc.org/pdfs/FederalVehicleTaxCredit.pdf>

ⁱⁱⁱ *Electric car cost per mile*. (2006). Retrieved from <http://www.ecoworld.com/energy-fuels/electric-car-cost-per-mile.html>

^{iv} *Biodiesel cost*. (2006). Retrieved from <http://www.ultimate-biodiesel-guide.com/biodiesel-cost.html>

^v *California fueling alternatives rebate program a success*. (2010). Retrieved from <https://energycenter.org/index.php/news-a-media/front-page-news/alternative-transportation>

^{vi} *Natural gas benefits*. (2010, December 12). Retrieved from http://www.afdc.energy.gov/afdc/fuels/natural_gas_benefits.html

^{vii} Halsey, A. (2001, May 25). *New-car gas mileage labels to include more information*. Retrieved from http://www.washingtonpost.com/local/new-car-gas-mileage-labels-to-include-more-information/2011/05/25/AGKNtSBH_story.html

^{viii} Halsey, A. (2001, May 25). *New-car gas mileage labels to include more information*. Retrieved from http://www.washingtonpost.com/local/new-car-gas-mileage-labels-to-include-more-information/2011/05/25/AGKNtSBH_story.html

^{ix} United States Environmental Protection Agency, Office of Transportation and Air Quality. (2011). *New fuel economy and environment labels for a new generation of (EPA-420-F-11-017)*. Retrieved from <http://www.epa.gov/otaq/carlabel/420f11017.pdf>