



July 25, 2011

Federal Trade Commission
Office of the Secretary,
Room H-113 (Annex N)
600 Pennsylvania Avenue, NW
Washington, DC 20580

Subject: “Regulatory Review for Alternative Fuels Rule, (16 CFR part 309, Matter No. R311002, Program Code M04); Alliance of Automobile Manufacturers Comments to the Federal Trade Commission 16 CFR Part 309: Advance Notice of Proposed Rulemaking Concerning the Labeling Requirements for Alternative Fuels and Alternative Fueled Vehicles, FTC File No. R311002

-- Submitted electronically --

Dear Madam or Sir:

The following comments are submitted on behalf of the Alliance of Automobile Manufacturers (Alliance), an association of 12 vehicle manufacturers including BMW Group, Chrysler Group LLC, Ford Motor Company, General Motors Company, Jaguar Land Rover, Mazda, Mercedes-Benz USA, Mitsubishi Motors, Porsche, Toyota, Volkswagen Group of America and Volvo Cars of North America.

Background

The Federal Trade Commission is seeking public comment on the benefits and necessity of harmonizing its Labeling Requirements for Alternative Fuels and Alternative Fueled Vehicles (AFVs), also called the Alternative Fuels Rule, with the recently finalized Environmental Protection Agency (EPA) and the National Highway Traffic Administration (NHTSA) fuel economy (FE) and greenhouse gas (GHG) labeling requirements.

The Energy Policy Act of 1992 requires the FTC to enable consumers to make informed buying decisions by requiring informative labels on AFVs that run on liquid and non-liquid fuels. The FTC seeks comment on whether to (1) consolidate its AFV labels with the FE labels required by the EPA and NHTSA; (2) add new definitions for hydrogen fuel cell, lean burn and hybrid vehicles contained in recent legislation; and (3) change labeling requirements for used AFVs.

Alliance Comments to FTC Question 1: FTC Label Should be Consolidated into Single National Label

The Alliance supports the FTC proposal to consolidate its AFV labels with FE labels required by the EPA and NHTSA. We agree with the FTC that consolidating the FTC and FE labels would benefit consumers

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and industry by eliminating potential confusion caused by duplicative and possibly inconsistent labels, and would reduce the burden on manufacturers to create and post two labels.

The Alliance supported the changes to the FE label adopted by EPA and NHTSA in the Final Rule (76 Fed. Reg. 39478 (July 6, 2011)) to ensure that consumers should have access to clear and accurate information about their vehicles. Currently, automakers provide detailed and comprehensive information on their vehicles through a full suite of consumer-oriented materials, including interactive websites that point to additional resources such as the federal fueleconomy.gov website. This approach to consumer information is tailored to today's consumers, who do internet research and make basic vehicle purchasing decisions using the internet before ever visiting a dealership.

A key issue the Alliance communicated to the agencies was the need for a single national label. Over the past few years, automakers have worked closely with the Administration and the California Air Resources Board (CARB) to bring about a single national program for FE and GHGs. However, in the vehicle labeling area, automakers have been required to apply a separate FTC label for AFVs and, presently, another label with emissions information for California vehicles. EPA and NHTSA worked closely with CARB to ensure that, beginning with model year 2013, the final design of the FE label will also fulfill the requirements of laws and regulations governing the California Environmental Performance Label. As a result, California has indicated its intention to move forward to amend its regulation to deem that use of the federal FE label will satisfy the California requirements. CARB staff plans to present this amendment to the Board in November 2011. We applaud those three agencies for their foresight and diligence in developing the measures necessary to allow a single national label to fulfill all applicable requirements.

The single national label can also fulfill FTC's statutory AFV labeling requirements. The FTC currently requires that AFVs display a label that reports the cruising range of the vehicle. The FTC dedicated AFV label is required to display the estimated cruising range on the alternative fuel, and the FTC label for dual fuel vehicles (*e.g.*, flexible fuel vehicles (FFVs)) is required to display the estimated cruising ranges on both fuels.

The new FE label also requires that range information be displayed for AFVs, including electric vehicles (EVs), plug-in hybrid electric vehicles (PHEVs), hydrogen fuel cell vehicles (FCVs), and compressed natural gas (CNG-fueled) vehicles. That requirement is equivalent to the FTC statutory requirement.

For high-blend ethanol FFVs, the new FE label requirements are consistent with the principles of the current policy: all label metrics are based on gasoline operation and a statement is provided so that the consumer knows that the values are based on gasoline operation. EPA provides flexibility by providing manufacturers with the option to include the driving ranges on gasoline and E85. Accordingly, for FFVs, the Alliance recommends that the FTC provide the flexibility to use an optional label that includes the driving ranges on gasoline and on E85 in place of the FTC label.

The FTC statute specifically allows for the information to appear on labels placed on vehicles as the result of other federal requirements, such as the FE label. 42 U.S.C. 13232(a) states that the FTC labels “shall be simple and, where appropriate, consolidated with other labels providing information to the consumer.” Harmonizing requirements into a single national label would also achieve the objectives of Executive Order 13563, section 3, which highlights the importance of avoiding redundant, inconsistent, or overlapping requirements, and directs agencies to take steps to reduce “costs by simplifying and harmonizing rules.”

Alliance Comments to FTC Question 2: Current Requirements are Sufficient for Advanced Technology Vehicles

The Alliance agrees with the FTC that additional new AFV labels for advanced technology vehicles, including hydrogen fuel cell, lean burn and hybrid vehicles would be redundant. Hydrogen fuel cell vehicles already fall under the definition of AFV and thus are already required to comply with the FTC AFV statutory requirements. The current requirements will also be sufficient for advanced lean burn and hybrid vehicles, since these fall under the requirements of the single national label and thus are already required to display FE information on a vehicle label.

Alliance Comments to FTC Question 3: Labeling Requirements for Used AFVs

The Alliance supports the comments of the National Automobile Dealers Association (NADA) regarding labeling requirements for used AFVs.

If you should have any questions regarding these comments, please contact me at (248) 915-8836.

Sincerely,

Giedrius Ambrozaitis
Director, Environmental Affairs
Alliance of Automobile Manufacturers

cc: Hampton Newsome, FTC
Lisa Snapp, EPA
Lisa Chiladakis, CARB
Greg Powell, NHTSA