



Robert F. Babik
Director
Environment, Energy & Safety Policy

General Motors Company
Public Policy Center
482-C27-B76
300 Renaissance Center
Detroit, MI 48265-3000

FE 6339

August 18, 2011

Federal Trade Commission
Office of the Secretary
Room H-113 (Annex N)
600 Pennsylvania Avenue, NW
Washington, DC 20580
(202) 326-2889

Re: Regulatory Review for Alternative Fuels Rule, (16 CFR part 309, Matter No. R311002, Program Code M04)

General Motors Company (GM) appreciates the opportunity to offer comments on the Federal Trade Commission's (FTC) advance notice of proposed rulemaking to harmonize its Labeling Requirements for Alternative Fuels and Alternative Fueled Vehicles (AFVs), also known as the Rule, with the fuel economy (FE) labeling requirements recently finalized by the Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA). Please find GM's detailed comments below.

GM also joins in the comments submitted separately by the Alliance of Automobile Manufacturers.

If you have any questions regarding this response, please contact me or Barbara Kiss of my staff at (313) 665-2964. These comments are a resubmission of GM's July 25th, 2011 original comments with only typographical errors corrected.

Sincerely yours,

Attachments

General Motors Comments
On
Labeling Requirements for Alternative Fuels and Alternative Fueled Vehicles

General Motors (GM) supports the advanced notice of proposed rulemaking of the FTC on the Labeling Requirements for Alternative Fuels and AFVs, as well as the proposal to merge the AFV labels with the new FE labels recently adopted by the EPA and NHTSA. We commend the technical staffs of the FTC for working on this issue, and appreciate their efforts to produce a harmonized approach for federal regulation of Labeling Requirements for Alternative Fuels and AFVs. We further commend the FTC for the leadership that the federal government has shown in trying to consolidate and simplify the labeling requirements for alternative fuels and AFVs.

GM especially supports: 1) the consolidation of the FTC's AFV label with the new FE label to ensure that consumers receive consistent and useful information, and to reduce part numbers in the assembly process of the vehicle; 2) the acceptance of the FE label for hydrogen fuel cell, lean burn and hybrid vehicles in lieu of an FTC label; and 3) the elimination of the current FTC label requirements for used AFVs.

Specific Issues for Comment:

A. GM supports a decision by the FTC to merge its AFV labels with FE labels as adopted by the EPA/NHTSA. The new FE label reasonably enables consumers to make choices and comparisons regarding AFVs, making the FTC label redundant. Ending the FTC label requirement would save GM its annual efforts to calculate, release and print AFV labels, and decrease vehicle assembly time by eliminating this labeling task during production. Furthermore, by reducing part numbers GM would save inventory and management costs, and eliminate the possibility of mislabeling a vehicle. In some cases the FTC label may even provide the consumer with conflicting information and cause confusion. For example, GM believes that the FTC label's cruising range in conjunction with the new FE label's driving range will present the consumer with contradictory information, as the calculations for both ranges are prescribed differently by the FTC and EPA/NHTSA leading to different results. Additionally, the general buying tips on the FTC label add little value to the consumer, who can instead access this information on the <http://www.fueleconomy.gov> website.

In sum, GM believes that consolidating the FTC and FE labels would benefit consumers and the industry by eliminating the potential for confusion caused by duplicative and possibly inconsistent labels, and eliminating the burden on manufacturers to create and post two labels.

B. GM agrees with the FTC that the FE label can be used on advanced technology vehicles, including hydrogen fuel cell, hybrid and lean burn vehicles in lieu of the FTC label. The FTC label would not provide any additional significant benefit to the consumer and therefore can be omitted. In fact, having two separate labels can increase the opportunity for errors in calculations. Additionally, because hybrid and lean burn vehicles use conventional fuels, the FTC label would not be appropriate on those types of vehicles.

GM especially supports the FTC's efforts to eliminate the FTC label in lieu of the FE label on E85 flex fuel vehicles. GM is in favor of using the optional FE label that demonstrates the various driving ranges with ethanol fuel in comparison to gasoline.

C. GM believes that the FTC labeling requirements for used AFVs do not provide the consumer with substantial additional benefit and put unnecessary burden on automobile dealers. The used vehicle FTC label does not address vehicle specific information, such as cruising range, and only provides the consumer with general buying tips and reference to a website. GM believes most consumers who desire this information would find it by looking at the <http://www.fueleconomy.gov> website. GM believes that the FTC label should be optional for used AFVs.

Lastly, GM supports the comments submitted by the National Automobile Dealers Association (NADA).

General Questions for Comment:

- Is there a continuing need for the Rule as currently promulgated? Why or why not?

GM sees no continuing need for the Rule as currently promulgated. The new FE label will provide the essential information that the Energy Policy Act of 1992 intended to convey to consumers. The statutory intent of the Act is satisfied without the FTC label.

- What benefits has the Rule provided to consumers? What evidence supports the asserted benefits?

GM believes that the Rule has provided consumers with an understanding of the differences in driving ranges between traditional gasoline vehicles and AFVs as the Rule has intended. The Rule has helped to familiarize the consumer with useful websites to acquire additional information.

However, the new FE label provides the consumer with the same information. GM believes that omitting the FTC label, as suggested in the advance notice of rulemaking, will expose the consumer to the same quality of information on the FE label and will prevent redundant and possibly confusing information.

GM is aware that consumers focus their attention on the price and fuel economy labels when shopping. This means that the new FE label will prove very useful in conveying the AFV-specific information to the consumer.

GM is also aware that some dealers may temporarily remove the FTC label when a consumer is test driving a vehicle to ensure adequate visibility for safe driving. Elimination of the FTC label will eliminate the safety risks associated with the presence of the FTC label.

- What significant costs has the Rule imposed on consumers? What evidence supports the asserted costs?

GM estimates a cost savings of approximately \$425,000 if the FTC label requirement is eliminated. This is a cost that would no longer be passed on to consumers. The basis for this cost estimate is: An average cost of 42 ½ cents per label (printing and application) times one million E85 capable vehicles produced annually, added to an approximate ten vehicles per month that require relabeling at a cost of \$2.50, results in a total annual cost of roughly \$425,000.

- What modifications, if any, should be made to the Rule to increase its benefits to businesses, and particularly to small businesses?

If the FTC retained the labeling requirement, it would benefit automakers if a single method was used for calculating driving/cruising range for the FTC and EPA label. This would simplify our engineering effort. However, we believe that elimination of the label all together as suggested in the proposal is the better policy choice.

- How would these modifications affect the costs and benefits of the Rule for consumers?

Reducing the complexity of information on the label and using a format that consumers can understand would reduce the costs to GM and increase the benefits to consumers. Removing the label all together and merging it with the FE label would completely eliminate the cost of the FTC label. The benefits to consumers of eliminating the FTC label would be better and more accessible information that can be found in one key spot on the vehicle.

- Are any of the Rule's requirements no longer needed? If so, explain. Please provide supporting evidence.

The FTC label is no longer needed, because the FE label presents the same information. Merging these labels would decrease part numbers, reduce assembly costs, and eliminate the risk of consumer confusion due to redundant and potentially confusing information.

- Does the Rule overlap or conflict with other federal, state, or local laws or regulations? If so, how?

The Rule overlaps with the FE label and presents redundant and potentially confusing information.

- Is there evidence concerning whether the Rule has assisted in promoting national uniformity with respect to the rating, certifying, and posting the rating of non-liquid alternative fuels and AFV labeling? If so, please provide that evidence.

For non-liquid alternative fuels, there is no evidence that the Rule has promoted uniformity in AFV labeling. As an example, see the following: The U.S. National Institute of Standards and Technology (NIST) regulates the retail measurement, sale and labeling of fuels, petroleum products and lubricants according to Handbook 130, "Uniform Engine Fuels, Petroleum Products, and Automotive Lubricants Regulation," as adopted by the annual National Council of Weights and Measures (NCWM). For those states that adopt the NCWM Handbook 130 regulations the alternative fuel dispensing labeling requirements are found in Section 3 of the Handbook. These requirements do not include references to the Rule, nor a requirement of labeling the minimum primary fuel component concentration. Neither the Rule nor the Handbook 130 direct the consumer to the vehicle or engine owner's manual for further important information on how to select the appropriate fuel for optimal performance.

- Are there foreign or international laws, regulations, or standards with respect to the rating, certifying, and posting the rating of non-liquid alternative fuels and AFV labeling that the Commission should consider as it reviews the Rule? If so, what are they?

There are international laws, regulations and standards, for example regarding hydrogen fuel dispenser labeling, several standards specification bodies are developing regulations for fuel quality, including labeling practices, SAE J2719, International Standards Organization ISO/CD 14687-2, and NCWM.

In conclusion, GM supports the FTC's initiative to eliminate its label requirement and to accept the FE label in lieu of the FTC label. As outlined in this submission, eliminating the FTC label will provide the consumer with the benefit of receiving information in one central place on the vehicle without confusing the consumer with duplicate labels. Removing the label would also omit the label from the assembly process and reduce part numbers and cost. GM supports the FE label for lean burn and hybrid vehicles in lieu of a new FTC label. GM also supports making the current label requirement for used AFVs optional because this would decrease the burden on vehicle dealers.

Lastly, GM, as a member of the Alliance of Automobile Manufacturers, also supports the comments submitted by the Alliance. The comments from both GM and the Alliance are directed towards making these regulatory programs more workable and effective in achieving the agencies' overarching public policy goals and a single national label.