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June 26, 2009

Federal Trade Commission
Office of the Secretary Room H-135 (Annex F)
600 Pennsylvania Avenue, NW
Washington, DC 20580

Subject: Fuel Economy Guide Review, Matter No. R711008

The Association of International Automobile Manufacturers, Inc. ("AIAM") is a trade association representing 13 international motor vehicle manufacturers who account for 40 percent of all passenger cars and light trucks sold annually in the United States. AIAM submits this letter in response to the Federal Trade Commission's (FTC) proposed amendments to the agency's Fuel Economy Advertising Guide for New Automobiles, Matter No. R711008, published in the Federal Register on April 28, 2009.

As referenced in the Federal Register notice, AIAM previously filed comments with the FTC supporting the benefits and need for the Fuel Economy Advertising Guide and are pleased to see that many of the requested changes suggested by AIAM and others in the industry to update the definitions and other key terminology are reflected in the proposed rule. There are certain additional issues or questions raised by the FTC that AIAM would like to address.

First, we support disclosure of cruising range for fuel economy claims in dedicated alternative fueled vehicles and flexible fueled vehicles (FFV's) advertising. The FTC already requires disclosure of this information on the labels that must be affixed to such vehicles when offered for sale to consumers (16 CFR Part 309), so this disclosure should not be especially burdensome for manufacturers or dealers. AIAM believes cruising range estimates will become increasingly valuable to consumers as fuel economy becomes a more important consideration in their purchasing decisions. Consumers also need to understand the fuel economy of alternative fuels versus gasoline. While many of the alternative fuels currently being introduced may provide greater environmental benefits, most of them do not contain as much energy as gasoline. Customers may expect to get the same miles per gallon from an FFV running on E-85 as they get when using gasoline. Consequently, advertising fuel economy ratings for FFV's based solely on gasoline could result in customer dissatisfaction and confusion and may require further explanation.

Second, the FTC might wish to consider providing some guidance with respect to plug-in hybrids (PHEV's) and the advertising of "electric-only" ranges. On a broader level, AIAM would support efforts to develop a better "apples-to-apples" comparison across fuel/vehicle types, particularly when considering the likely increase in sales of hybrid, flex-fuel, electric, natural gas, fuel cell, and other alternative fuel vehicles. AIAM believes the best way to make such a comparison would be using an annual fuel cost based on standard mileage, driving mix, and fuel cost parameters or using a combined rating encompassing use of both fuels (e.g., electricity and gasoline), should EPA develop such a rating.

Finally, in identifying the EPA fuel economy data that is to be used in advertising, the FTC references 40 CFR Part 600. This part includes provisions relating to both CAFE standards data and the adjusted ratings to be used for consumer information purposes. The FTC should reference only the EPA information that is designated for use for "consumer information" purposes (Subpart D of that Part). Otherwise, the Guide could be read to authorize the use of the higher CAFE data for individual cars in situations where the EPA numbers are required.

AIAM appreciates the opportunity to provide our views. If you have any questions or concerns please feel free to contact me directly at 703-247-2119.

Sincerely,

Ellen J. Gleberman
Vice President and General Counsel

