



The Honorable Elaine Chao
Secretary, U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

The Honorable Scott Pruitt
Administrator, U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Secretary Chao and Administrator Pruitt:

We are writing to thank you for your principled leadership on numerous issues, but most especially on federal fuel mandates, including the Corporate Average Fuel Economy (CAFE) standards program.

As you know, the CAFE program is riven with problems. While we believe repealing the entire program is appropriate and warranted, we are pleased that the Department of Transportation (DOT) and the Environmental Protection Agency (EPA), under your leadership, are taking meaningful steps to reduce the burden and irrationality of this outdated and unnecessarily complicated mandate.

As your agencies examine the mandate and its next steps, we encourage you and your team to remain focused on the fundamental problems with the program.

- Cost to consumers. According to the National Auto Dealers Association, the existing mandates would cause the price of an average vehicle to increase by \$3,000 in 2025. Research from The Heritage Foundation concluded that repealing the CAFE mandate would save 2025 car buyers at least \$7,200 per vehicle. Additionally, we understand that the DOT may have modeling that indicates that drivers may never recover the costs imposed by the next sequence of mandates. These significant increases in the average price of a vehicle are a hidden regressive tax on American families, pricing millions of consumers entirely out of the new car market, especially the poor.
- Consumer choice. Automakers are now being forced to design vehicles not for what consumers want but for what regulators want. The fundamental question associated with this mandate is clear: who should decide what cars and trucks consumers should buy, consumers themselves or unelected bureaucrats in Sacramento?



- Inefficiency. As originally created, Congress authorized one regulator, the National Highway Traffic Safety Administration (NHTSA), to carry out the program. Today, three different regulators — NHTSA, EPA, and the California Air Resources Board (CARB) — are responsible for implementing the federal mandate under three different laws using three different standards. It is arguable that the EPA and CARB programs should not exist at all, as the EPA program is duplicative of the CAFE program, and the CARB program is preempted under federal law, which was ignored by the previous Administration.
- It's a relic. What started as a mandate in the mid-1970's to reduce foreign imports of oil was changed by the previous Administration to an environmental mandate. Its foundational assumption — that oil is becoming scarce and needs to be rationed by the government action — has proven false. The entire mandate is a relic of the narrative of scarcity. The surge in American energy production has rendered it moot.

As a productive first step towards genuine reform of this program, we hope you will protect and enhance consumer choice to the maximum extent possible. Additionally, any actions taken as part of this mandate need to ensure that costs to consumers are minimized. Finally, we hope you will restore the program to its original legal regime as laid out by Congress.

Thank you again for your leadership on this issue. We stand ready to help you and your team in any way.

Sincerely,

Thomas Pyle, American Energy Alliance

Michael Needham, Heritage Action

Phil Kerpen, American Commitment

Rick Manning, Americans for Limited Government

Brent Wm. Gardner, Americans for Prosperity

Myron Ebell, Competitive Enterprise Institute

Mike Stenhouse, Rhode Island Center for Freedom and Prosperity

Dan Peterson, James Madison Institute

Paul Gessing, Rio Grande Foundation

Adam Brandon, FreedomWorks

David T. Stevenson, Caesar Rodney Institute

Grover Norquist, Americans for Tax Reform