



**Good for the Economy.
Good for the Environment.**

Testimony Before EPA Science Advisory Board

May 31, 2018

Good Afternoon, my name is Grant Carlisle. I am the Director of Advocacy for E2, or Environmental Entrepreneurs. E2 is a national, nonpartisan group of business leaders, investors, and professionals from every sector of the economy who advocate for smart policies that incentivize greater efficiencies in the energy, transportation and agriculture sectors. Our members have founded or funded more than 2,500 companies, created more than 600,000 jobs, and manage more than \$100 billion in venture and private equity capital.

I am here today to speak about the economic value of maintaining ambitious but achievable standards for the GHG Vehicle standards at EPA and CAFE standards at the Department of Transportation in the upcoming Notice of Proposed Rulemaking (NPRM). E2's members – and business leaders across America – know that as a nation we prosper when we prioritize innovation and competition while ensuring a stable business policy environment. All of this requires leadership from our elected officials and decision makers at federal agencies, such as EPA. It requires these decisions makers to use proper data to make informed decisions which may have far-reaching ramifications for our economy and our environment.

E2's members urge the Science Advisory Board to conduct comprehensive and detailed assessments of the science and technical assumptions used to assess the GHG vehicles standards.

American Jobs

Strong long-term standards have been critical and remain essential to continued recovery of the automotive sector since the crash last decade, to ongoing innovation and job growth, and to a further strengthening of our manufacturing sector. Since these standards were put in place in 2012, we have seen record high sales and fuel economy coupled with growing employment and record low emissions. These standards—when maintained—provide certainty for the investment that drives innovation. That innovation makes domestic automakers and their vast network of suppliers competitive in a global market that continues to demand cleaner vehicles. According to the 2017 edition of [Supplying Ingenuity](#), there are 288,000 manufacturing and engineering workers in 1,200 facilities across 43 states who are building the technologies that make vehicles cleaner and more fuel efficient.

Similarly, the [2018 U.S. Energy Employment Report](#) which E2 recently published along with partners at the National Association of State Energy Officers (NASEO) and the Energy Futures Initiative headed by former energy secretary Ernest Moniz, found that 44 percent of component parts manufacturing in 2017, or more than 476,000 jobs, which produce parts that increase fuel economy in the United States. As part of this market

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structure, at least 650,000 jobs in the motor vehicle sector are focused on increasing fuel economy or transitioning to alternative fuels.

Given the high concentration of motor vehicle jobs engaged in light-weighting, extended range and increased fuel economy, among many other parts of this sector – it is essential that our automakers and the many supplier companies follow a regulatory regime which continues to encourage innovation – and more important than ever – compete internationally.

International Competition

According to an analysis by [Ceres](#), in 1985, more than two-thirds of Detroit Three unit sales were in North America. By 2025, it is projected that only one-third will be sold in North America, while two-thirds of sales will be overseas. Indeed, in those markets, consumers demand and governments often mandate more fuel efficient and cleaner vehicles. As the volatile international gas markets shift from low to high prices and back again, these standards hold in place a steady regime to ensure consumer and small business dollars are not being put toward much greater fuel costs. They also ensure American cars can compete in nations which have far higher gas prices than we do in the United States. If we roll back on these standards – we will cede market share to international competitors already quickly moving to capitalize on our lack of leadership.

China, Europe and India are moving forward with seriously reduced vehicle emissions and in some cases, altogether ban gas-powered vehicles in the coming decades. This will ultimately put American workers out of the job.

Again, the members of E2 urge this body to stringently assess any change to the greenhouse gas and fuel economy standards - American workers, our environment and our economy are at stake.