



**Testimony of Christina Herman,
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on

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for

Mid-Term Evaluation Hearing

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Public Hearing Testimony

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Hello, and thank you for the opportunity to testify today. My name is Christina Herman and I am the Program Director for Climate Change and Environment at the Interfaith Center on Corporate Responsibility. ICCR is a coalition of over 300 institutional investors, representing more than \$200 billion in managed assets, that advocate for greater corporate responsibility on critical social and environmental concerns. I am here today to express ICCR's strong belief that the greenhouse gas standards are appropriate and that we stand in opposition to any weakening of EPA's vehicle standards.

Investors in our coalition have been engaging with the automotive industry on climate change issues for over 20 years. We understand the risks of climate change to the economy, and to the auto industry in particular. Transportation is the largest contributor to greenhouse gas emissions, emissions which must be reduced to a level that enables us to stay below a 2degree rise in temperature to avoid the most catastrophic impacts of climate change.

Investors' engagement with corporations on climate change stems not only from their fiduciary concerns regarding the real and immediate risk posed by a changing climate to their individual institutional assets, but from their concerns about the broader and longer term ramifications on global economic stability and social justice. For the church pension funds and other faith-based and socially responsible investors that are members of ICCR, these concerns take on a distinctly human dimension as our members consider the implications for vulnerable communities who will bear the brunt of climate impacts.

Strong GHG standards are beneficial to the investment community, the auto sector and suppliers, as well as to communities throughout this country struggling with the negative impacts of climate change. It is our position that these standards remain appropriate and are vitally important for our economy.

Corporations in our investment portfolios are facing disruptive challenges from the growth of electrification, autonomous vehicles, and changing consumer behavior around mobility. Our companies' global competitiveness is enhanced when there are clear, compelling, and stringent GHG standards consistent with the commitments made in the Paris Climate Agreement. Weakened GHG standards that are out of line with the trends of the international regulatory environment will harm our auto manufacturing companies, forcing them to comply with multiple mandates, and will set back our suppliers as they try to compete in a global marketplace.

The resiliency of American business to the negative impacts of climate change is paramount. This includes not only from an adaptation perspective – shoring up our infrastructure to withstand storms such as Hurricane Harvey that are devastating refineries and manufacturing sites – but also the resilience of business models, so our companies are prepared to excel in a low-carbon economy. Strong standards support both of these elements of American resilience.

The current GHG standards are critical to ensuring our economic health, the global competitiveness of the U.S. auto industry, and the health of our citizens and the planet. In fact, during this review, we encourage strengthening the standards to drive further improvements in the industry.

I will focus on four primary benefits of the GHG standards which are relevant to the faith- and values-based investor community: (1) strengthening the competitiveness of the U.S. auto sector, (2) climate change mitigation, (3) consumer savings and a strong economy, and (4) public health:

1. Weakening Standards Would Undermine the Global Competitiveness of the Auto Industry
 - a. Weakening the standards would *decrease incentives* to invest in fuel-saving technologies, undermining and resulting in stranded assets for suppliers, who employ *2.6 times more Americans than automakers*.ⁱ
 - b. Weakening the standards would *decrease the competitiveness of the U.S. auto industry* in the global market, which increasingly demands more fuel-efficient vehicles and greater deployment of electric vehicles.
2. Given that transportation is the largest source of GHG emissions, preserving strong standards is critical to avoiding the worst effects of climate change.
 - a. The current standards would:
 - i. Save 6 billion metric tons of dangerous tail-pipe pollution;
 - ii. Save America 12 billion barrels of oil, and the associated negative climate impacts.

ⁱ <https://www.ceres.org/resources/reports/economic-implications-current-national-program-v-weakened-national-program-2022>

3. Consumer Savings, and a Stronger National Economy:

- a. The current standards have already saved consumers more than **\$45 billion at the pump**. Saving money on gas means Americans can spend more on other goods and services, leading to higher overall GDP and job creation, engendering a stronger economy that benefits everyone.ⁱⁱ
- b. Even with lower gas prices – and these have now risen with the disruptions to refineries from Hurricane Harvey – current standards are projected to save Americans \$67 billion to \$122 billion on fuel costs over the lifetime of their vehicles. These savings are especially important to lower-to-middle income households (\$30,000 or less), who report spending up to 10 percent of their income on gasoline, which in 2025, would amount to between \$3,200 and \$5,700 over the life of a new car, substantial savings for low-income families.
- c. Existing clean car standards ensure that Americans needing bigger vehicles for family or work have fuel-efficient choices. New truck buyers will save, on average, from \$4,800 to \$8,200 over the lifetime of a new 2025 truck. A weakening of standards will hurt Americans who need the savings the most.

4. The climate benefits of more efficient vehicles are significant and support public health.

- a. Rolling back vehicle efficiency and clean car standards will only increase tailpipe carbon and other pollution, triggering negative public health impacts from climate change, including a worsening of asthma symptoms for the 24 million Americans – including 6.3 million children – who suffer from asthma. According to scientists, “Climate change affects the duration of seasons and contributes to more erratic weather patterns, and those changes are causing plants to not only release pollen earlier and longer, but more of it.”ⁱⁱⁱ

In closing, on behalf of the Interfaith Center on Corporate Responsibility and our members, I urge you to preserve the current EPA vehicle standards because they are still appropriate. Apart from the obvious environmental and public health benefits that will be achieved through meaningful GHG reductions, the standards have tangible and far-reaching economic significance that will be felt by all Americans - perhaps most keenly by our most vulnerable citizens. The standards also help to ensure the long-term global competitiveness of the auto industry and preserve current and future jobs.

ⁱⁱ <https://www.ceres.org/resources/reports/more-jobs-gallon-how-strong-fuel-economyghg-standards-will-fuel-american-jobs>

ⁱⁱⁱ <https://www.scientificamerican.com/article/climate-change-may-speed-asthma-spread/>