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June 29, 2011

The Honorable Ray LaHood
Secretary
Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

The Honorable Lisa Jackson
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20004

Dear Secretary LaHood and Administrator Jackson:

Today jobs, the economy and energy security are on the minds of every American. As governors, we are focused on proactive policies to address these critical issues and grow our states toward a more secure future. Transportation is a critical component of our economic vitality and given that your agencies are now developing national fuel economy standards for 2017-2025, we wanted to share our views.

Safe, efficient and reliable transportation impacts each individual, family and business in our state. Jobs in manufacturing, agriculture and retail are all tied to cost effective transportation. With the recent increase in gas prices and turmoil in the Middle East, reducing fuel use and dependence on foreign oil are on all our minds. We support your efforts to improve fuel economy by laying out a long-term program, but encourage you to carefully consider a balanced and thoughtful approach.

We encourage NHTSA and EPA to adopt a single, national fuel economy standard that considers America's needs for increased fuel economy while preserving the choices for families and businesses to meet their transportation needs without sacrificing affordability, safety, or jobs. NHTSA and EPA have already set strong standards for 2012-2016 that raise the fleet average by 40% to 35 miles per gallon. Looking forward, technology improvements should continue to support increases in fuel economy and greenhouse gas standards. However, we recognize that overreaching regulations can place a significant cost burden on individuals, families and businesses in our states.

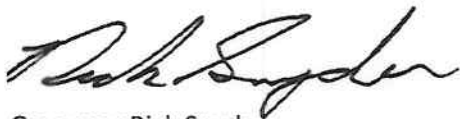
It is important that standards for 2017-2025 support a broad range of consumer needs in terms of utility and function. Americans need a range of vehicles to meet their family and business needs. Large families require automobiles with sufficient passenger space, including room for multiple child-safety seats in the back. Small businesses need vans and utility vehicles to conduct commerce. Agriculture depends on pickups, as do the construction industry and local trades. Tourism and recreation are also important sources of revenue for our states, and these industries depend on vehicles with towing capacity for boats and trailers, as well as cargo room for skis and luggage.

While we are Governors from very different states, our residents all share the need for affordable transportation. The next phase of fuel economy standards should not pick winners and losers, but should support a variety of technologies and fuel diversity to preserve affordability. If fuel economy standards increase too quickly, resulting in more expensive vehicles, many consumers can be expected to hold on to their older vehicles longer and defer buying a new car, which could put auto jobs across the country at risk and delay compliance with federal air quality standards. Affordability, customer choice and job preservation is as much a priority as raising fuel economy.

As governors, we think every day about job creation and security for our states. As policymakers, we know that good regulations and laws are often a balancing act of competing demands. We encourage

you to carefully balance the factors that impact sensible fuel economy standards, including consumer choice, affordability and the economic concerns that weigh on our nation's fragile recovery.

Sincerely,



Governor Rick Snyder
Michigan



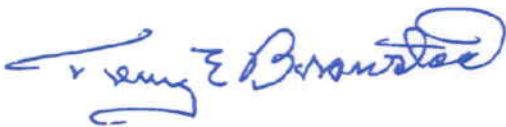
Governor Robert Bentley
Alabama



Governor C.L. "Butch" Otter
Idaho



Governor Mitch Daniels
Indiana



Governor Terry Branstad
Iowa



Governor Sam Brownback
Kansas



Governor Steven L. Beshear
Kentucky



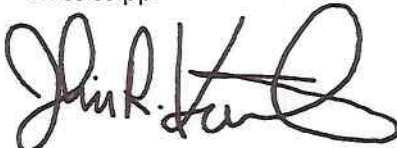
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