

**Testimony on Behalf of the Aluminum Association's Aluminum Transportation Group (ATG)**

*Submitted by Mario Greco, ATG Chair and Director, Global Marketing, Automotive, for Arconic to the National Highway Traffic Safety Administration and Environmental Protection Agency*

Regarding the Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule

9/25/2018

Good afternoon. My name is Mario Greco. I am director for global marketing, automotive, for Arconic, a leading supplier to the automobile industry in North America. I'm here on behalf of the Aluminum Association's Transportation Group. Our member companies support more than 700,000 competitive manufacturing jobs across the country and they supply our automotive customers with increasing amounts of high quality, aluminum products to improve performance, sustainability and safety in new cars and trucks.

I would like to start off by acknowledging and thanking NHTSA and EPA staff for the important work they have done to get to this point, and we appreciate the opportunity to speak today and detail the four specific outcomes that are important to the aluminum industry as consequences of this rulemaking:

- First, data-driven decision making—especially as it pertains to safety;
- Second, continued progress in technology adoption & improvements
- Third, one national program that avoids protracted legal battles;
- And fourth, long term regulatory certainty so we can continue to invest appropriately.

Coming back to data and safety, we are pleased the agencies clearly recognize the body of peer reviewed research data and on-the-road examples that confirm mass reduction using stronger, yet lower density materials helps deliver safe, fuel efficient and cost-effective vehicles that meet or exceed consumer demands.

However, numerous flawed assumptions in the draft rule are misleading and overstate potential unfavorable impacts on safety, societal cost of the regulation and new vehicle sales. While we will detail these flawed assumptions in our written submission, I will highlight one example today.

The draft rule assumes automakers will reduce weight evenly across vehicle segments, including the smallest of passenger cars—that's not an accurate representation of real world experience. Thanks, in part, to NHTSA's footprint-based CAFE formula—which we continue to fully support—automakers direct their mass reduction strategies primarily where they get the biggest results to



boost fuel economy: their larger, heavier cars, trucks and SUV's.  
The reality is... F-150s...not smart cars...are getting lighter.

And for the record, the top-selling, latest generation aluminum-bodied F-150 dropped nearly 750 pounds, delivering segment leading fuel economy along with a 5-star NHTSA crash rating—increased from 4-Stars—all for an increased sticker price of only \$395 above its predecessor. The final rule should reflect NHTSA's own safety data, historical trends and widely accepted projections to accurately consider how and where automakers are reducing weight—in their largest, heaviest cars and trucks to boost fuel economy and maintain and often improve safety.

Our second request of the agencies centers on continued technology advancement. Our observations suggest the range of predicted technology advancements and related costs largely materialized as expected and delivered performance and fuel economy improvement levels very much consistent with agency estimates set forth previously. The exception, of course, is that electrification thus far falls short of original penetration estimates. We are still conducting a technical analysis of the eight proposed alternatives; however, whichever option is ultimately pursued, the aluminum industry strongly supports adoption of a single nationwide federal regulatory program including all states along with the state of California. The public, automakers and suppliers will all lose out if this issue gets tied up in the courts for many years to come. That's why we were heartened by the President's direction to both DOT and EPA to work with California to seek a mutually agreeable solution.

And finally, regulatory certainty is essential to the U.S. aluminum industry, which continues to make significant investments in new products, processes and capacity to meet growing demand for automotive aluminum sheet material. Since 2013, the aluminum industry has invested more than \$2.6 billion in U.S. manufacturing facilities—and related jobs—to support growing demand in the auto market. As market conditions dictate, we're poised for even more such investments. The final rule, however, should include an augural projection covering a 10-year period from initial implementation of the final chosen alternative so that automakers and suppliers can plan accordingly.

The aluminum industry is very appreciative of your consideration of these important topics and we look forward to submitting our more detailed analysis of the misleading assumptions contained in the proposed rulemaking by the close of the comment period. Thank you.

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