

Testimony of Adam Lee
Environmental Protection Agency Hearing
on
Proposed Rulemaking to Establish Light-Duty Vehicle Greenhouse Gas
Emission Standards and Corporate Average Fuel Economy Standards
Detroit, Michigan
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Good Morning. I want to thank the EPA and NHTSA Commissioners for allowing me to testify today. My name is Adam Lee. I am president of Lee Auto Malls. Our company was founded in 1936 by my grandfather in Lewiston, Maine. I am a third generation car dealer. Our company has 12 new and used car dealerships in Maine, representing both domestic and imported brands. We are the largest hybrid dealer in the state of Maine as well as the largest jeep dealer.

I am also the Chair of the Efficiency Maine Trust, a quasi-governmental agency with an annual budget of roughly 70 million dollars a year to be spent on energy efficiency and the reduction of greenhouse gases.

As some of you know, I have testified numerous times in support of stricter fuel economy standards and stricter air quality standards. I am here speaking on behalf of my family and no one else. I have always paid for my own travel, and written my own testimony.

And after all these years, I couldn't be more pleased that Detroit now stands with the Obama Administration in the effort to raise fuel economy standards, and restrict greenhouse gas emissions from tailpipes.

Every time I turn on the television I see every manufacturer boasting about their new hybrids, cars that really are cleaner, and boasting about small to mid-size cars with excellent safety ratings.

There are several new hybrids from Detroit: Chevrolet Malibu, Ford Escape, and the Ford Fusion to name a few. And then there are over one dozen from Asia and Europe.

Despite past mistakes, Detroit now appears to be somewhat sensitive to consumer demand and is at least making an attempt to market to this new demand.

I read an article recently recounting the Cash for Clunkers effect on hybrid sales. It noted that only 20,000 hybrids were sold in September down from around 39,000 in August. Now these are really small numbers when placed against overall car sales. However, who would have thought this country would have bought 39,000 hybrids in one month? I will tell you from personal experience, that the reason the numbers were down in September is because dealers ran out of hybrids. I ran out of hybrids and the most fuel efficient cars very early into the Cash for Clunkers program. If I had twice as many, I

would have easily sold every single one. We dealers experienced a classic issue of demand outstripping supply.

But then I go to the National Auto Dealers Association (NADA) web site, and find a link labeled “Fuel Economy at the Expense of Safety is Bad Public Policy.”

Anytime my own industry starts warning me that the cars they sell are unsafe, I get suspicious.

They have consistently fought every single safety and environmental improvement, as well as every single regulation aimed at improving the quality of our cars, much the way a teenager instinctively objects to every word out of his parent’s mouth.

Detroit defended the use of leaded gas for over 60 years despite the fact that there was ample evidence that lead was poison and was in fact killing thousands of Americans, including the person who perfected its use in automobiles.

Seat belts, air bags, and anti-lock brakes, have all been derided as unnecessary, not wanted, and too expensive. The day these improvements became mandated, Detroit was promoting them as if it was always their idea to make them a requirement.

For over 25 years we managed to make sure the fuel economy standards did not change at all. Finally, they have been raised to an appropriate level. And, it appears that Detroit is embracing them.

So here we are. For a variety of reasons including crushing health care bills, massive debts to retired employees, and incredibly expensive union contracts; G.M. and Chrysler have gone through bankruptcy. They were saved by the generosity of the Federal Government. I will note that their near collapse was caused by an astounding loss of market share at a time of record car sales.

It now appears that Detroit has given up telling us that consumers won’t buy cars that get better fuel economy. They are no longer saying that Americans don’t care about cleaner air. Judging by this panel they appear to have given up lobbying NHTSA and the EPA entirely and have turned it over to NADA and our 20,000 members.

So what is NADA saying and why shouldn’t we have cleaner cars?

Well, they have turned to Isaac Newton and are using the laws of physics to combat our efforts to make cleaner cars.

Simply stated a bigger object that is moving will exert more force than a smaller object. Or, if you are going to knock down a wall, use a bigger hammer. Or, driving and crashing in an 18-wheeler is a better idea than crashing in a Hummer. You get the point. So the logical conclusion is we should only drive very large cars, really large cars. The end result of this argument is that we should all be driving 18-wheelers.

Personally, I am thinking of switching to a bulldozer. It weighs around 30,000 pounds and has that big blade on the front. At least I know I will be safe.

But the reality is – some of the smallest cars are safer than some of the largest cars – because of technology (side airbags, better construction, really cool high tech gadgets like electronic stability control and cruise control that slows you down if you are too close to the car in front of you).

The Tokyo Auto Show starts in three days. If you want to know why Detroit and NADA are using the bigger hammer argument, all you have to do is look at some of the featured production cars at the show:

Honda CR-Z sporty Hybrid
Nissan Leaf electric car
Toyota Prius Plug-in Hybrid

And the following concept cars:

Honda EN-V electric city car
Subaru Hybrid Tourer car
Mitsubishi I-MiEV electric cargo vehicle

There are 8 others I won't read. Overall they are small, high tech, get really good fuel economy and in some cases emit little to no greenhouse gases.

As usual, the American car industry is fighting the very thing that will make their cars better, make the world safer and help them survive. They are denying the possibility of some sort of creative solution to their challenges. They are forgetting that they used to be the leaders. They can lead again.

Our country desperately needs stricter fuel economy standards and stricter clean air standards. We finally have what NADA has been demanding, a single standard. So why are they still fighting? Europe, Japan, and even China have stricter fuel economy standards than the U.S. If they were smart, they would support, as I do, even higher standards in the future. Because I know they might be tempted to fight higher standards, I continue to support states' rights to keep the pressure up. The Clean Air Act protects that right.

We are living in an age of incredible inventions. These innovations are so pervasive they don't even seem incredible any more. Do you realize that only 10 years ago the first Blackberry was introduced? Does anyone in this room have a Blackberry? Just think of what could be done if all of this effort were put into continuing to improve the fuel economy of our nations' cars instead of constantly fighting every step of the way.

We are at a time in history when Detroit is really at the final crossroads. They have gone from number one in car sales to bankruptcy. Now they have to decide if they are going to set the stage for the last act – will they go the way of Oldsmobile, Plymouth, Saturn and Pontiac? Or, will they decide to be bold and come out with the first hybrid diesel car, or the most innovative battery set up yet?

Will Detroit come out with the iPod of cars or will they continue to make 8-track players?

Thank you.