

DEPARTMENT OF TRANSPORTATION**National Highway Traffic Safety Administration****49 CFR Part 533****[Docket No. 2002–11419; Notice 3]****RIN 2127–AI70****Light Truck Average Fuel Economy Standards Model Years 2005–2007**

AGENCY: National Highway Traffic Safety Administration (NHTSA), Department of Transportation.

ACTION: Final rule.

SUMMARY: This final rule establishes corporate average fuel economy standards for light trucks. NHTSA is setting a standard of 21.0 miles per gallon (mpg) for model year (MY) 2005, 21.6 mpg for MY 2006, and 22.2 mpg for MY 2007.

DATES: Effective: May 5, 2003. If you wish to submit a petition for reconsideration of this rule, your petition must be received by May 22, 2003.

ADDRESSES: Petitions for reconsideration should refer to the docket number and be submitted to: Administrator, Room 5220, National Highway Traffic Safety Administration, 400 Seventh Street, SW., Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT: For technical issues, call Ken Katz, Lead Engineer, Fuel Economy Division, Office of Planning and Consumer Standards, at (202) 366–0846, facsimile (202) 493–2290, electronic mail kkatz@nhtsa.dot.gov. For legal issues, call Otto Matheke or Nancy Bell, Office of the Chief Counsel, at (202) 366–2992.

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I. Introduction

Beginning in 1996, NHTSA was subject to a series of limitations on appropriations that prevented the agency from considering changes to the corporate average fuel economy (CAFE) levels established by statute at 27.5 mpg for passenger cars and by regulation at 20.7 mpg for non-passenger automobiles (light trucks). In July 2001, Secretary of Transportation Mineta asked Congress not to renew the appropriations rider restricting the agency's authority.

Congress enacted the Department of Transportation and Related Agencies Appropriations Act for FY 2002 (Pub. L. 107–87) in December 2001 without the appropriations rider. Since that time, the agency has been actively engaged in collecting and analyzing data, establishing appropriate fuel economy standards, and considering ways to enhance the CAFE program within current statutory authority.

Because NHTSA is required by the CAFE statute to establish the CAFE standard for a model year not later than 18 months before its beginning, and thus had to establish the light truck standard for MY 2004 on or before April 1, 2002, the agency had to act quickly after December 2001 to set that standard. Due to the lack of opportunity to gather and analyze the data necessary to support a standard different from 20.7 mpg, the agency set the MY 2004 standard at 20.7 mpg. (67 FR 16052, April 4, 2002)

On February 7, 2002, the agency published a Request for Comments, seeking data relating to manufacturers' product plans for light trucks for MYs 2005–2010 and seeking comments

relating to potential reforms to the CAFE program. (67 FR 5767) Having received and analyzed detailed data about manufacturers' product plans for MYs 2005–2007, the agency published a Notice of Proposed Rulemaking (NPRM) on December 16, 2002 proposing to establish the CAFE standard for light trucks at 21.0 mpg for MY 2005, 21.6 mpg for MY 2006 and 22.2 mpg for MY 2007. (67 FR 77015)

NHTSA noted in the NPRM that, consistent with the recommendations of the National Academy of Sciences (NAS) in its report on the effectiveness and impacts of the CAFE standards, the agency intended to consider alternatives to the current structure of the CAFE program that would enhance long term fuel economy while protecting motor vehicle safety and American jobs, and to implement reforms consistent with our statutory authority for model years after MY 2007. We further noted our belief that advanced fuel saving technologies, such as hybrid electrics and advanced diesel vehicles, could substantially enhance the average fuel economy of the American light vehicle fleet as even more advanced technologies, such as fuel cells, are developed.

Since that time, both public and private initiatives have been announced. Earlier this year, President Bush proclaimed the government's support for the active research and development of commercially viable hydrogen-powered fuel cells for transportation and stationary power applications, and the infrastructure to support them. As the President indicated in his State of the Union address, successful execution of the Hydrogen Fuel Initiative would mean that the first car driven by a child born today could be powered by fuel cells, and pollution-free. The President's Hydrogen Fuel Initiative complements the FreedomCAR initiative, a partnership with the U.S. auto industry aimed at developing technologies needed for mass production of safe and affordable hydrogen fuel cell vehicles. Together, these initiatives will enable automobile manufacturers to decide to offer affordable and technologically viable hydrogen fuel cell vehicles in the mass consumer market by 2015 and the ability to produce and deliver such vehicles to the market by 2020.

The private sector is also responding to the nation's need to develop energy independence. On January 6, 2003, General Motors announced that it would offer an optional hybrid powertrain on several of its most popular models, including light trucks. While pointing out that its plans involve "relatively low volumes," General Motors also stated that its initiative would make it "well