

in two respects from the currently required AFV label, as follows:

(1) To convey accurate information to consumers nationwide regarding new covered AFVs, Ford requested that the Commission amend the Rule's AFV label by substituting the eleven Tier 2 certification bins for the EPA emission standards that currently appear on the AFV label. To convey accurate information to consumers in California, as well as the four other states that have adopted the California standards, Ford also requested that the Commission amend the Rule to permit inclusion of boxes and acronyms for California's LEV II emission standards on the Commission's AFV label. Ford further requested permission to add a check-box to the label with accompanying text that reads, "This vehicle meets the California Air Resources Board LEV II emissions standard noted below."

(2) Alternatively, Ford requested that the AFV label be amended to require disclosure of only the EPA Tier 2 emission standard, if any, to which the AFV has been certified, and permit disclosure on the same label of the California LEV II emission standard, if any, to which the AFV has been certified.

Ford asserted that granting its petition will provide useful information to consumers considering AFV acquisitions and will permit Ford to demonstrate to consumers the technological advances it has made in producing cleaner, lower-emitting vehicles. Without changes to the Commission's AFV label, Ford stated that it will not be possible to inform customers clearly of the true emissions performance of these cleaner vehicles, because the label would not reflect the correct emission standard. Ford also stated that it is important that a single AFV label be applied to all vehicles to avoid excessive cost and complexity. Thus, Ford requested permission to include California's LEV II emission standards on the AFV label. As a result of the adoption of the California standards by Maine, Massachusetts, New York, and Vermont, California certified vehicles will be required in five states, representing over 15% of the total U.S. sales, according to Ford. Therefore, Ford asserted that including California's standards on the label also would be helpful to consumers outside of California.

#### 4. Discussion of the Rule's Emission Disclosure Requirements

In issuing the Rule, the Commission concluded that requiring disclosure of emission certification standards is appropriate and would be useful to consumers. The Commission noted further that incorporating environmental considerations into national energy policy was a key goal of EPA 92, and improving the environment was a principal purpose of that statute. EPA 92 gives special attention to the fact that the environmental performance of alternative fuels differs, and that those differences need to be explained to consumers.<sup>13</sup> Granting Ford's petition to include the federal Tier 2 and California LEV II standards on AFV labels may provide relevant comparative information regarding alternative fuels that will be helpful to consumers considering AFV acquisitions (e.g., fleet operators as well as environmentally concerned consumers). Specifically, because an AFV is certified to a specific emission standard, disclosure of the certification level may continue to provide a useful way of comparing different AFVs, and evaluating comparative advertising and marketing claims regarding an AFV's environmental performance.

The Commission agrees that the current label should be amended in light of EPA's new Tier 2 standards. Accordingly, the Commission seeks comment on whether either of the two Rule amendments Ford proposed should be adopted by the Commission. The Commission recognizes, however, that including the federal Tier 2 and California LEV II standards on the AFV label may result in a label that is even more complex than the current label. The additional complexity may detract from a consumer's ability to evaluate the information presented on the label. Thus, the Commission also is seeking comment on additional proposed options for amending the AFV label. These options would consolidate the information now prescribed on a two-sided label onto one side and eliminate information that soon will become obsolete by (1) deleting specific emissions information altogether or (2) requiring only the disclosure of the emission certification standard that has been met.

#### Part B—Proposed Alternative Options

The Commission is seeking comment on four AFV labeling options.

1. *Option No. 1:* This option tracks Ford's first proposal. It modifies the AFV label by substituting EPA's Tier 2 emission standards for the EPA standards that currently are depicted on the label. The Tier 2 standards reflect the varying emissions levels and are divided into 11 categories or "bins." These bins are depicted as a horizontal row of boxes and corresponding acronyms that is divided into 11 equal parts or "bins." This option permits, and therefore includes, an additional, second row of boxes and acronyms that depict the California LEV II standards. If a vehicle has been certified to a California LEV II standard, this option would allow that fact to be noted with a mark in a box on the label, along with a caret inserted above the standard to which the vehicle has been certified. Because California did not adopt the same number of standards ("bins") as EPA, and not all of the California standards have a bin equivalent, two different rows are necessary to present this information. The Commission has slightly modified Ford's proposal by adding a reference in part three of the label to EPA's new green vehicle guide website, and states: "Emissions are an important factor. For more information about how the vehicle you are considering compares to others, visit <http://www.epa.gov/greenvehicle>."<sup>14</sup>

The proposed label represents all of the applicable federal and state emissions standards that may be used to certify a vehicle through the 2010 model year period. However, the information provided may overwhelm the label's space limitations and may not be helpful to consumers because of its complexity, and the lack of contextual references explaining the rows of boxes. Also, the addition of state standards may make the label even more information dense.<sup>15</sup>

Including EPA's website address on the label may provide consumers a helpful reference to comparative emissions information. At its website, EPA provides a thorough explanation of emissions information in a more comprehensive manner than otherwise would be possible on the AFV label. Thus, the Commission believes it would be helpful to consumers to reference EPA's emissions resources on the label.

<sup>13</sup> 60 FR 26926, 26946.

<sup>14</sup> The Commission also proposes adding the EPA reference to the Rule's label for used AFVs.

<sup>15</sup> See generally Wesley A. Magat, W. Kip Viscusi, and Joel Huber, *Consumer Processing of Hazard Warning Information*, Journal of Risk and

Uncertainty, 1:201–232, at 228 (1988) ("information overload results in less information retained by the consumer").