

equivalent passenger carrying capability in the under 8,500 pound category. GM stated that customers interested in passenger capacity would not be interested in the heavier models, which cost more to purchase and operate and that the heavier vehicles are used and purchased by consumers needing features found only in these vehicles.

DaimlerChrysler opposed the expansion on the basis that it would not produce a demonstrable benefit. According to DC, the market segment involved is so small that no significant fuel savings would be realized by including large vehicles in the CAFE fleet. In DC's view, such action would only serve to lower the truck fleet fuel economy average.

The AAM, Ford, NTEA, and RVIA echoed the views of GM and DC. These organizations argued that expansion of the CAFE program into the heavier weight category would be unwarranted and unwise. Large vehicles, according to the Alliance, meet consumer needs and including these large vehicles in the CAFE fleet would force manufacturers to stop producing them or otherwise compromise the characteristics making them desirable to consumers.

#### *C. Vehicle Classification*

The agency's request for comments observed that the tremendous changes in the light truck market compelled reexamination of the definitions of light trucks and passenger automobiles. We asked commenters to provide suggestions for modifications of the vehicle classification scheme now used in the CAFE program. In particular, we requested that commenters identify characteristics that would help delineate the differences between passenger automobiles and trucks and the pros and cons of various classification schemes.

Public interest groups responding to this request were highly critical of the existing classification scheme, particularly the "flat floor" provision allowing vehicles (such as the PT Cruiser and many minivans) to be classified as light trucks based on the ability to enlarge their cargo carrying capacity by physically changing their passenger carrying ability into cargo carrying ability. The ACEEE and Sierra Club object to the "flat floor" provision, but without offering any specific recommendations for a new definition.

Public Citizen also criticized the current classification scheme and offered its view that the light truck class should be restricted to vehicles with significant off-road characteristics, such as a very high ground clearance, or more commercial "truck-like" qualities, such

as the ability to carry or tow their own weight. In Public Citizen's view, the truck category should be limited to vehicles that are used commercially rather than lighter truck-like vehicles that may also serve as personal transportation.

Vehicle manufacturers and industry trade groups generally offered an opposite view—the existing classification system provides appropriate differentiation between passenger and non-passenger automobiles. This judgment is based on the view that the expansion of the light truck market has stemmed solely from consumer demand for more versatile and larger vehicles. DaimlerChrysler indicated that moving truck-like "passenger vehicles," such as SUVs and minivans, from the truck fleet to the car fleet would require making the car standard less stringent or result in the elimination of an entire category of vehicle that consumers obviously value.

Alternatively, in its response to the RFC, DC indicated that an attribute-based approach to segment the fleet might have advantages.<sup>7</sup> However, DC indicated that no classification system was ideal and all systems would have their own set of rewards and drawbacks.

Ford supported the existing scheme in response to the request for comments. According to Ford, light trucks, including SUVs, are purchased and used for different reasons than passenger automobiles. Ford stated that the utility and corresponding differences between passenger automobiles and light trucks should be carefully considered before implementing any vehicle classification modifications. Ford argued that removing SUVs, minivans, and multi-activity vehicles from the truck fleet and adding them to the car fleet, or even creating a third category would negatively impact both the car and truck CAFE compliance, and might also have negative safety consequences.

GM similarly stated that no change in the system of vehicle classification is necessary. Although some vehicles have been introduced that combine various car-like and truck-like features, GM believes that the distinction between passenger automobiles and trucks has not been removed.

Toyota stated that all manufacturers should be subject to the same set of

<sup>7</sup> However, in its comments to the light truck NPRM, DC was more cautious of any effort to reform the CAFE program, stating: "No method to modify CAFE that has been described in the literature or discussed in the political debate is clearly superior to the current CAFE system in ensuring energy savings or a fair distribution of tasks."

standards for any given category, class, fleet or similar set of vehicles regulated under any type of CAFE program. Further, Toyota argued that NHTSA should not restructure the current CAFE system in such a way that would provide a disincentive for companies to achieve greater fuel economy than required.

Honda stated that SUVs and vans should be removed from the truck fleet. In addition, Honda asserted that large pick-up trucks are often used for work purposes, but adds that any exemption criteria, with respect to pick-up trucks, should include a minimum bed width and length. AIAM commented that weight or size based systems could either be incorporated into a continuous function or market segment classes in an attempt to reconcile the truck/passenger car distinction.

A number of individuals also responded to this question. Jordan Kwan suggested dividing the fleet into a separate and third category to include SUVs, minivans and extended cab pick-up trucks as light trucks used primarily for transporting passengers. Hans Meyer states that the classification of light trucks should be further broken down into subcategories by separating SUVs and minivans from pick-up trucks. He argues that manufacturers would have to improve the fuel efficiency of SUVs rather than use more fuel-efficient pick-up trucks to raise the average and suggests using passenger-seating space as a measurement to differentiate between the subclasses.

#### *D. Credit Availability*

The RFC also sought comments on the possibility of manufacturers being allowed the opportunity to trade fuel economy credits—either with each other or by averaging their own credits across different classes of their own vehicles. The use of credits in these ways was not well received by public interest groups, while industry generally viewed it favorably.

The Sierra Club outright opposed these uses of credits citing automakers' history of "gaming" the current credit program. ACEEE, Little, Gorlitsky, and Ng stated that cross-class averaging should not be permitted. Public Citizen suggested that any initial system should be designed conservatively so as not to create unexpected loopholes and was opposed to linking credits to a broader greenhouse gas reduction registry or credit system. The group was also concerned that allowing such uses of credits could jeopardize the effectiveness of penalties.

Some industry members and trade groups believe credit averaging and