Remarks Prepared for

Ronald Medford, Deputy Administrator

National Highway Traffic Safety Administration

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Good evening. And thank you for that warm welcome. I am delighted to be here tonight to speak about a variety of transportation issues that have made news in the past few months.

The landscape of the automotive industry is what it is today thanks in large part to an explicit commitment by the President to support our industry's leading automakers. So I want to begin by taking a brief look

back at how rapidly the auto industry has recovered from the devastating economic downturn.

When President Obama took office just over three years ago, America was mired in a recession that hit the auto industry particularly hard. In the year before the President's inauguration, the industry lost more than 400,000 jobs. In the span of a few months, one in five American autoworkers received a pink slip. Two great American companies—Chrysler and GM—stood on the brink of liquidation.

The President made a focused and speedy response. He said that if GM and Chrysler were willing to take the difficult steps of restructuring and making themselves more competitive, the American people would stand by them. And we did.

As the Secretary of Transportation noted recently, until last year, the United States hadn't added manufacturing jobs since 1997. Now, America's auto industry has reinvented itself for the 21st century. And our manufacturing sector has spearheaded the economic recovery—adding jobs in both 2010 and 2011.
Many of these jobs directly follow from the investments of foreign auto manufacturers.

In the current environment of rising gas prices and the clear need to take an "all of the above" approach to energy, the President has laid out a plan that includes key pieces of work for the Department of Transportation.

Our ongoing national challenge today is to work toward a sustained prosperity. What I can describe for you tonight are two long-term, coordinated initiatives that

the Administration has set in motion: the Livable Communities Initiative and a major effort to dramatically increase on-road vehicle fuel efficiency. These combined actions will lay a foundation that strengthens our Nation and our industry and improves the quality of life in America.

The Nation's Livable Communities Initiative will measurably enhance the quality of life for families, workers, and communities across America.

Livable Communities has a variety of components supported by many agencies. For DOT it means Federal support for more transportation choices. These include public transportation and more commercial and residential development around transportation hubs: roads, rail, transit—with additional opportunities for people to walk or bike to their destinations.

With this national framework in place, efforts made at the vehicle level will be that much more effective. The framework includes an ambitious leap forward in how we power our fleet.

A large component of the work that we're especially proud of is the historic national program to improve fuel economy, which is a tangible effort that positively impacts the bottom line of families and businesses.

As the President has said, there is no silver bullet to address rising gas prices in the short term, but there are steps we can take to ensure that the American people don't fall victim to skyrocketing gas prices over the long term. These steps will also contribute to a cleaner, healthier America for our children.

Meeting the challenge of high fuel costs calls on the nation to continue to increase safe and responsible domestic oil and gas production, invest in home grown alternative fuels, and boost the fuel efficiency of the cars we drive.

In July 2011, President Obama announced an historic agreement with 13 major automobile manufacturers to increase fuel economy to an estimated 54.5 miles per gallon equivalent for cars and light-duty trucks by Model Year 2025, if all of the improvements are made with fuel economy-increasing technologies.

The Administration has taken the first steps toward transforming our vehicle fleet into a more fuel efficient fleet. In close cooperation with the Environmental Protection Agency, NHTSA is working hard to increase the efficiency of our nation's cars—to conserve energy,

help protect our environment, and reduce our dependence on foreign oil.

After three decades without significantly raising fuel-efficiency requirements, NHTSA and EPA have developed the first-ever national program that harmonized fuel economy and greenhouse gas standards for light-duty vehicles for model years 2012 through 2016. Under those standards, we estimate that passenger cars and light trucks would be required, on average, to increase from 27.6 miles per gallon in 2011 to 34.1 miles per gallon in 2016. The impact of this increased fuel efficiency is huge because light-duty vehicles are responsible for about 60 percent of U.S. transportation petroleum consumption.

Building on this step, the Department of Transportation and the Environmental Protection Agency have also

proposed fuel efficiency and greenhouse gas emissions standards through model year 2025. DOT and the EPA worked closely with auto manufacturers, the state of California, environmental groups, and other stakeholders to ensure that the standards we proposed will be achievable, cost-effective, and preserve consumer choice.

We believe that this next round of standards will rely on innovative technologies and manufacturing that will also spur economic growth and create high-quality domestic jobs in cutting edge industries across America.

NHTSA's proposal, published at the beginning of December 2011, indicated that we would increase the stringency of standards for passenger cars by an average of over four percent each year for Model Years 2017 through 2025. Standards for pick-ups and other

light-duty trucks would increase an average of nearly three percent annually for the first five model years and an average of over four percent annually for the last four model years.

These programs—combined with the model year 2011 CAFE standards and together spanning model years 2011 to 2025—are expected to dramatically cut the amount of oil we consume and the carbon pollution we generate from cars and trucks.

Under new rules issued by NHTSA and EPA last year, the Nation's fleet of medium- and heavy-duty trucks will also be required to meet fuel efficiency and greenhouse gas emission standards for the first time ever beginning with model year 2014.

Developed jointly by NHTSA and EPA with support from the trucking industry, the State of California, and leaders from the environmental community, this groundbreaking national program will support energy efficiency and national security, reduce harmful air pollution, and lower the costs for transporting goods while spurring job growth and innovation in the clean energy technology sector.

When combined with other historic steps the Administration has taken to increase light-duty vehicle energy efficiency, the Model Year 2017-2025 proposal is estimated to:

- **Save American drivers more than $1.7 trillion at the pump by 2025.**
- **Reduce America's dependence on oil by an estimated 12 billion barrels, and, by 2025, reduce**

oil consumption by 2.2 million barrels per day—enough to offset almost a quarter of the current level of our foreign oil imports.

- **Slash six billion metric tons in greenhouse gas emissions over the life of the Administration's programs.**

As we develop and implement these long-term initiatives, NHTSA remains laser-focused on our safety mission.

We are researching and promoting advanced safety technologies in vehicles, investigating defects, and continuing to tackle a range of behavioral issues in an effort to reduce highway fatalities.

Our latest data show that in 2010 US highway fatalities fell to 32,885, the lowest level since 1949. That's an encouraging trend, but still a number that is much too high.

Traffic fatalities remain the leading cause of death in the United States for young people between the ages of 4-34. More than ever, we need to model good decision-making in our driving and our training of younger drivers. We know that approximately 90 percent of crashes are due to driver error. It's time to rededicate ourselves to teaching driver education basics: buckle up, don't speed, don't drive drunk or tired.

We also need to give our next generation of drivers a reality check on the dangers of driving while distracted.

Distracted driving has deadly consequences. In 2010, more than 3,000 people in the United States lost their lives in crashes where distraction was a factor. Young people are especially vulnerable because their world is defined by mobile technologies and social connectivity.

The data are telling us that as technology evolves the potential for distraction in vehicles rises. We're seeing the rapid growth of new dashboard and handheld infotainment systems in vehicles now that create dangerous levels of distraction. We need to work together to address this issue.

As many of you know, NHTSA has developed an evaluative framework for in-vehicle technologies. We have offered specific guidance to automakers to help them develop electronic devices that provide the features consumers want—without interfering with the

driver's focus or sacrificing safety by distracting the driver's attention.

This week we are holding hearings on our proposed guidelines across the country and gathering responses from automakers and other stakeholders. We look forward to a collaborative solution that directly addresses the important interface between electronic devices and distraction.

These are promising times for our industry and the Nation to leverage long-term opportunities that strengthen the economy, make gains in environmental protection, and continue to improve highway safety into the future.

Thank you.