Volvo Cars of North America, LLC

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July 28th, 2011

The Honorable Ray LaHood
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

The Honorable Lisa Jackson
Administrator
Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Secretary LaHood and Administrator Jackson,

Volvo Car Corporation recognizes the benefit for the country of continuing the historic National Program to address fuel economy and greenhouse gases that the Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) began in 2009 with the standards for model years 2012 through 2016, and that those agencies are continuing for model years 2017 through 2025.

Volvo Car Corporation fully supports the proposal and adoption of a continued National Program. We understand that the continued National Program will be subject to full notice-and-comment rulemaking, affording all interested parties, including Volvo Car Corporation, the right to participate fully, comment, and submit information, the results of which are not pre-determined but depend upon processes set by law. Volvo Car Corporation welcomes the opportunity to be a partner in helping to advance a continued, harmonized National Program.

Volvo Car Corporation believes that the robust and comprehensive mid-term evaluation described by EPA and NHTSA in the July 2011 Supplemental Notice of Intent is critical, given Volvo Car Corporation´s view of the uncertainty associated with the model years 2022-2025 standards. Although Volvo Car Corporation may not have full knowledge about the evolution and cost of technologies necessary to meet these standards, particularly in 2022-2025, the mid-term evaluation provides a basis for Volvo Car Corporation´s support for adoption of standards for model years that far into the future.

Volvo Car Corporation also commits to working with EPA and NHTSA, the states, and other stakeholders to help our country address the need to reduce dependence on oil, to save consumers money, and to ensure regulatory predictability and certainty by developing this kind of strong, coordinated National Program.

In order to promote the adoption of the continued National Program, Volvo Car Corporation commits to take the following actions, subject to the understandings described below.

(1) Volvo Car Corporation commits not to contest the final standards established by this rulemaking and by California for MYs 2017 through 2025 if:

a. EPA proposes national GHG standards and NHTSA proposes CAFE standards for MYs 2017-2025 as substantially described in the July 2011 Supplemental Notice of Intent to conduct rulemaking, and if the agencies adopt standards as substantially proposed.

b. California adopts standards on GHG emissions from new motor vehicles for MYs 2017 through 2025 such that compliance with the GHG emissions standards adopted by EPA shall be deemed compliant with the California GHG emissions standards, in a manner that is binding on states that adopt and enforce California's GHG standards under Clean Air Act (CAA) section 177.

(2) Volvo Car Corporation reserves all right to contest final actions taken or not taken by EPA, NHTSA, and CARB as part of the mid-term evaluation.

(3) Volvo Car Corporation commits that it will not contest final actions taken or not taken by EPA granting California's future request for a waiver of preemption under section 209 of the CAA for its GHG emissions standards for motor vehicles for MYs 2017-2025, if California revises its regulations as described above in (1)(b), but this does not apply to subsequent amendments California may make in response to the midterm evaluation.

(4) Volvo Car Corporation will use its best efforts to ensure that the trade association to which Volvo Car Corporation belongs will not contest the actions discussed in (1) and (3) above.

Sincerely,

Doug Speck
Senior Vice President
Marketing, Sales and Customer Service

Volvo Car Corporation