

**Public Testimony of Dr. Jody N. Hall, Vice President, Automotive Market
for the Steel Market Development Institute of the
American Iron and Steel Institute on the Safer Affordable Fuel-Efficient (SAFE)
Vehicles Rule for Model Years 2021-2026 Passenger Cars and Light Trucks**

September 25, 2018

Good morning,

Thank you for the opportunity to testify on the Safer Affordable Fuel-Efficient (SAFE) Vehicles Proposed Rule. My name is Dr. Jody N. Hall, and I'm Vice President for Automotive Market with the Steel Market Development Institute, a business unit of the American Iron and Steel Institute, or AISI.

AISI strongly supports the goals embodied in this federal program of developing a national vehicle fleet that has superior fuel economy, a reduced greenhouse gas emissions profile and is safe and affordable. We support the fuel economy and greenhouse gas standards laid out in the preferred option of the SAFE proposal. We are strong advocates for one national program of standards, as we believe this is best for consumers, automakers, the steel industry and the economy as a whole. We believe that, if finalized, the proposed approach would continue the progress toward ensuring strong fuel economy improvements and reduction of greenhouse gas emissions, while resulting in lower -cost vehicles for consumers. We are committed to working with automakers to help to achieve the significant safety enhancements that are estimated under the proposal. We believe that continued innovation of lighter and stronger steel grades will be a key component in assisting automakers to comply with the final standards and in achieving the many societal benefits projected to accrue from this rule.

Since the 1970s, the steel industry, in close collaboration with automakers, has developed over 200 innovative new grades of steel. From conventional (mild) steel, to high strength, to advanced high strength and now ultra-high strength steel, many of these innovative grades were designed specifically to achieve new vehicle designs to meet the continuing demands of consumers for high performing, fuel-efficient and safe vehicles. Consumers care about the material choices of automakers. A 2018 study found that overwhelming majorities of consumers do not believe that aluminum is as durable (87%),

strong (90%) or safe (91%) as steel. Additionally, more than half of consumers in the study say that replacing steel with aluminum will negatively impact their opinion of an automotive brand.

Steel is also the material of choice for automakers in developing affordable vehicles that consumers can trust. A number of studies by NHTSA, the National Research Council as well as others have, over the years, confirmed that steel vehicles are, on average, lower cost than vehicles developed employing higher amounts of aluminum.

Steel is also the most environmentally friendly material used by automakers. A recent peer reviewed study shows that, when considering GHG emissions from production and end-of-life of the materials used in vehicle design along with GHG tailpipe emissions from the use-phase of vehicles, steel out-performs aluminum, carbon fiber and other materials. Therefore, meeting the EPA GHG standards in this rule through continued use of innovative steel designs is better for the environment on a total GHGs basis than switching to aluminum.

We look forward to continued work with NHTSA, EPA and the automakers as the final SAFE rule is developed and are working on more in-depth public comments which will provide the details behind the testimony offered today.

Thank you very much.