

HONDA

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Honda Ref.: 270483

June 13, 2007

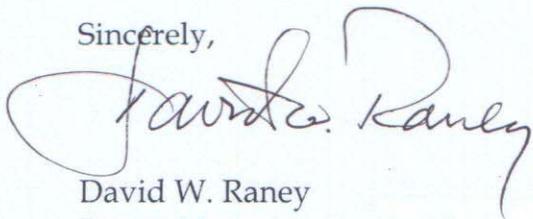
Clerk of the Board
State of California Air Resources Board
1001 I Street
Sacramento, California 95814

To Whom It May Concern:

American Honda Motor Company, Inc. submits the following comments on CARB's consideration of proposed amendments to the emission control and smog index label regulations.

Thank for the opportunity to present these comments and for your consideration of them.

Sincerely,

A handwritten signature in black ink that reads "David W. Raney". The signature is written in a cursive style with a large, looping initial "D".

David W. Raney
Senior Manager,
Environmental and Energy Affairs

California Air Resources Board
Title 13

**NOTICE OF PUBLIC HEARING TO CONSIDER
PROPOSED AMENDMENTS TO THE EMISSION
CONTROL AND SMOG INDEX LABELS
REGULATIONS**

June 21, 2007

Comments Submitted for Consideration by:

**American Honda Motor Company, Inc.
1919 Torrance Boulevard
Torrance, California 90501**

Comment Submittal Date: June 13, 2007

Electronically Submitted to: <http://www.arb.ca.gov/lispub/comm/bclist.bhp>

Electronic copies directly submitted to the following Agency representatives:

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American Honda Motor Company, Inc. (hereafter, Honda), submits the following comments on the CARB staff proposal to amend the Emission Control and Smog Index Label regulation.

Honda is very supportive of the primary intent of this proposal, which is to build on the informative purpose of the original Smog Index Label, and broaden the content currently provided to include Greenhouse Gas (GHG) emissions information. While mandated by legislation meaning there wasn't much choice to do this, we believe that CARB staff has responded with an effective way of presenting a complex message.

We have goals that are common with those of CARB staff such as:

- Consistency in design of labels used by all manufacturers, as much as possible
- Label should be highly noticeable, simple, and easy to read
- Visibility should be enhanced by use of color and contrast
- Label placement on the vehicle should be as consistent as possible
- New label should be larger than the current Smog Index Label

Honda has no comment today on the content of the proposed new label. We do have serious concerns with the mandated size of the new proposed label and we will address those concerns in this comment and propose what we believe is a constructive modification to the staff proposal. The current Staff proposal requires that the new label be a minimum of 4" x 6" in size, which is prohibitively large in that it does NOT allow integration of this label into the new car sticker or Monroney Label. Our proposal would provide manufacturers with an option of integrating the new label and information into the new car sticker or Monroney Label, as long as the label size was 2.5" x 4.5" or larger. Alternatively, a manufacture could apply a label separate from the Monroney Label of the proposed 4" x 6" size. In summary, we propose that Staff modify its proposal as follows:

- 1) In recognition of the benefits of having GHG emissions performance information integrated into the Monroney Label, set a standard for minimum label size of 2.5" x 4.5" for labels integrated accordingly; and,

- 2) In recognition that some manufacturers may not choose to or may not be able to meet this size requirement and integration approach, allow a larger size separate label standardized at a size of 4" x 6" label to be applied to the vehicle near or adjacent to the Monroney Label

The trade-off is as follows:

- Manufacturers that chose to integrate the information into the Monroney Label, inarguably the focal point of the new car purchaser's attention, would be allowed some flexibility in sizing the label to a standardized size of 2.5" x 4.5".
- Manufacturers that chose not to integrate the information into the Monroney Label would be required to apply the larger size label of 4" x 6", assuming that the larger size would be needed to bring the attention to the consumer away from the Monroney Label.

We strongly believe the most effective method of presenting this information to the consumer and new car purchaser is to have it integrated into Monroney Label. This is where other pertinent and important information to the purchaser such as crash-test performance information, federal fuel economy performance information, and the vehicle specifications and pricing currently is required by law to be included. Following is some supportive information for and basis of our belief:

- 1) Many precedents exist for inclusion of important environmental and safety information on the Monroney Label
 - The U.S. Congress' mandated in SAFETEA-LU legislation enacted in 2005 that DOT / NHTSA develop regulations to include crash test performance ratings (Stars on Cars) on new vehicles and, specifically, that this new information be included on the Monroney Label
 - U.S. EPA focus groups conducted in the evaluation of its SmartWay certification mark and Green Vehicle Guide rating system that showed respondent preference for environmental scoring to be displayed on the new car sticker. (This is referenced in the Staff Report: Initial Statement of Reasons for Rulemaking; Appendix D)
- 2) The Monroney Label, under penalty of law cannot be removed from the vehicle prior to sale. There is a \$1,000 penalty per violation. There is no risk that the Monroney Label would ever be removed by anyone prior to

sale because it includes important pricing information. There is a risk that a separate label might be removed, even if prohibitions existed against doing so.

- 3) Integration of the GHG emissions information label with the Monroney Label, at least in the case of Honda, will ensure that this information will be provided on all cars in all 50 states.
- 4) The NHTSA's Stars on Cars label now required has a mandated size of 3.5" x 4.5" or a size that consumes 8% of the Monroney Label space, whichever is larger. This label must also include significantly more information than what is proposed by CARB staff.
- 5) We are concerned that application of a separate label could have unintended consequences, due to reduced visibility created by the 4" x 6" label size.
 - Driver side application on two-passenger vehicles or small coupes have significant reduction in visibility with application of the separate GHG emissions label.
 - Some two-passenger vehicles require that the Monroney Label be placed on the front windscreen, significantly reducing visibility. Application of the separate GHG emissions label further adds to this problem. We assume that the new GHG emissions label would in the majority of cases be placed next to the Monroney Label on the same window.

We do not believe that the separate label concept is necessarily going to provide the benefit of greater notice by new car purchasers. We are concerned that the basis of the label size of 4" x 6" is from only two small focus groups conducted by CARB staff that did not include actual vehicles with various labels. Our experience has shown that for ANY new vehicle feature consideration, label or hardware, it is imperative that focus groups be exposed to actual vehicle examinations, not just photographs of labels or hardware or vehicle features by themselves and not attached to a vehicle.

Honda arrived at the size of 2.5" x 4.5" with significant effort by our graphics design team responsible for all of our labels today and in the past. This dimension was reached because of the restrictions on label space primarily from the EPA fuel economy section, Stars on Cars label size requirements, domestic parts content information, vehicle specification and pricing section. Obviously,

there is a lot of "competition" for space on the Monroney Label. It is viewed by many to be the focal point of information to be communicated to the consumer. Nevertheless, we believe this is a reasonable and very noticeable size of label and still proportionate to the larger 4" x 6" label originally proposed.

In summary, we believe we are suggesting a reasonable and very constructive modification to the Staff proposal. We strongly believe that forcing manufacturers, either inadvertently or purposely, toward use of a separate label and removing the potential to include the GHG emissions information on the Monroney Label, will reduce the effectiveness of the information in the purchase decision and chance that the information will be observed and read. More importantly, we strongly believe that our proposed approach will serve our mutual goal of presenting important greenhouse gas emissions performance to the new car purchaser.

Thank you for considering these comments and suggestions.