



October 23, 2018

Administrator Andrew Wheeler  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, D.C. 20460

Deputy Administrator Heidi King  
National Highway Traffic Safety Administration  
1200 New Jersey Avenue, S.E.  
Washington, D.C. 20590

RE: Docket No. EPA-HQ-OAR-2018-0283 and NHTSA-2017-0069

Dear Administrators Wheeler and King,

Wespath Benefits and Investments (Wespath) manages over \$23 billion in assets on behalf of over 100,000 pension and retirement plan participants of The United Methodist Church and more than 100 United Methodist-affiliated institutional clients. Wespath maintains the largest reporting faith-based pension fund in the world and is among the 100 largest U.S. pension funds. As a prudent fiduciary, we seek investments that position our funds for long-term, sustainable growth. Regarding the above-referenced docket numbers, we write in support of current automobile fuel efficiency and greenhouse gas emission standards, and we support efforts to further enhance these existing regulations.

As an investor in the auto sector, Wespath frequently meets with company executives to discuss strategic business risks and opportunities. In these conversations, we regularly hear that *“consistent and stable government regulation”* is an important factor in long-term business planning. Furthermore, companies say they operate most efficiently when they can realize economies of scale by producing one product for multiple international markets. The NHTSA underscored this point in 2012, stating that the current National Program, *“Helps automakers continue to manufacture a single fleet to meet both federal and state-level regulations— avoid[ing] ‘patchwork’.”*<sup>1</sup>

In August 2018, the EPA and NHTSA proposed revisions under the Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule for Model Year 2021-2026 Passenger Cars and Light Trucks. The SAFE Vehicles Rule offers several options, but the “preferred option” rescinds the National Program’s incremental increases in fuel economy and emissions reductions targets after model year 2020, and widens the gap between U.S. and international regulations. Wespath believes adoption of the preferred option will impede U.S. companies’ ability to grow global market share over the long-term.

As long-term investors, we are concerned that introducing the new SAFE Vehicles Rule will create uncertainty in the regulatory environment, increase the potential for higher production costs among

U.S. automakers and their suppliers, and jeopardize the sector's global competitive positioning. The National Program may benefit from modest enhancements; however, Wespath believes it provides a solid basis for supporting the long-term sustainability of the U.S. auto sector.

Sincerely,

A handwritten signature in black ink, appearing to read "David H. Zellner". The signature is fluid and cursive, with a long horizontal stroke at the end.

David H. Zellner  
Chief Investment Officer