



## Consumer Federation of America

**For Immediate Release**  
**Tuesday, July 17, 2007**

**Contacts:**  
**Jack Gillis, 202-737-0766**  
**Morrow Cater, 415-453-0430**

### **U.S. AUTOMAKERS SHOW NO RESPONSE TO CONSUMER DEMAND FOR IMPROVED FUEL ECONOMY**

#### **Big 3 Lag Behind Other Automakers Despite Earlier Promises to Improve**

Washington, DC -- U.S. auto makers failed to improve fuel economy in response to gas prices that have been rising since 2000, according to a new Consumer Federation of America (CFA) report. Despite promises made in 2001, as gas prices escalated, automakers actually decreased the number of fuel efficient vehicles available in 2007 even as they increased the number of models they sold.

Recently, public concern about gas prices, dependence on Mid-Eastern oil, and global warming increased significantly, according to a new national survey commissioned by CFA. Now, a large majority of the public (88%) agrees that "auto manufacturers should be required to make more fuel efficient vehicles."

"The failure of the auto industry to keep their promise to improve fuel economy after the gasoline price escalation of 2000-2001, coupled with their opposition to a meaningful increase in fuel economy standards, has undermined their credibility with the public and members of Congress," said Mark Cooper, CFA Director of Research. "The fact that the Senate has passed a substantial increase in fuel economy standards for the first time in two decades, without an alternative from the auto industry even being put to a vote, indicates how dramatically the public policy terrain has shifted," he added.

#### **Automakers Fail to Improve Fuel Economy Despite Rising Gas Prices**

According to a new CFA report, "Still Stuck in Neutral: America's Continued Failure to Improve Motor Vehicle Fuel Economy," while the average price of a gallon of gas escalated from \$1.12 to \$2.72 from 1998 to 2007, the number of car models getting at least 30 mpg fell from 61 to 46. In the same period, the number of models getting less than 30 mpg increased from 745 to 1083. And during this decade, the combined average fuel economy in the new vehicle fleet rose less than one mpg -- from 24.6 to 25.4.

Automakers complain that it takes time to incorporate new efficient technologies into new models, so the report focused on fuel economy changes to popular models between 2005 and 2007, long after gas prices began to escalate early in this decade. In this very recent two-year period, over two-thirds (68%) of the most popular 19 Asian models improved in fuel

efficiency, but less than half (48%) of the most popular 31 U.S. car models increased in efficiency.

"U.S. automakers can no longer defend their lack of fuel economy progress by slamming claims that they just give consumers what they want. Our analysis of the models consumers choose, the desperate efforts of U.S. automakers to push low mileage vehicles, and public opinion surveys indicate that they have lost touch with public sentiment. "Unfortunately, forcing the U.S. car companies to improve their fuel economy through legislation has become critical to ensuring their future success and protecting the jobs of millions of U.S. workers," said CFA Director of Public Affairs, Jack Gillis.

### **Public Concern About Oil Prices and Dependency Grows Along with Support for a Federal Mandate of Higher Motor Vehicle Fuel Efficiency Standards**

According to a July 2007 national opinion survey commissioned by CFA and undertaken by Opinion Research Corporation (ORC), public concern about fuel economy-related issues is very high. In response to the question, "Thinking about the next 5 years, how concerned, personally, are you about gasoline prices, U.S. dependency on Mid Eastern oil, and global warming?" large majorities expressed concern—82% for prices, 74% for oil import dependency, and 61% for global warming.

These levels of concern have risen considerably since October 2006, when ORC asked Americans the same three questions. In the past nine months, concern about prices rose from 64% to 82%; concern about oil import dependency rose from 67% to 74%; and concern about global warming rose from 51% to 61%.

The greatest concern about gas prices (91%) was expressed by moderate-income Americans with household incomes between \$25,000 and \$35,000. The greatest concern about oil dependency (83%) was expressed by older Americans, especially those aged 55-64. And the greatest concern about global warming (76%) was expressed by young Americans aged 18 to 24. Many Hispanics expressed concern about gas prices (91%) and global warming (78%).

"This great and growing concern about gasoline-related issues helps explain the overwhelming public support for automakers being required to make more fuel efficient vehicles," said Gillis. In the ORC survey, 88% of respondents voiced support for stronger CAFE standards.

ORC interviewed a representative sample of over 1,000 adult Americans in early July 2007. The margin of error for this sample is plus or minus 3 percentage points. The entire survey, and its methodology, is available to members of the press.

### **Consumer Demand for Fuel Efficient Vehicles Grows**

There is increasing evidence of growing consumer demand for fuel efficient vehicles.

- From 2004 to 2006, sales of SUVs and pickup trucks, the once fastest growing segment, declined by 8% -- from 9,175,183 to 8,430,043.
- From 2005 to 2007, the greater the fuel economy of models, the more likely they were to increase in sales rank. In this period, the sales ranks of only compacts and small SUVs increased while that of all other types of passenger vehicles declined, according to the CFA report.
- Nearly three-quarters of Americans (73%) in the ORC survey agreed that "if American manufacturers made more fuel efficient vehicles, they would sell more cars, vans, SUVs, and pickup trucks."

"If the House of Representatives joins the Senate in approving significant increases in mandated fuel economy, American automakers will be forced to better meet consumer demand," said Cooper." And any related increases in car prices will be more than offset by lower gas costs for consumers," he added. That was the conclusion of an earlier, widely-accepted consumer cost-benefit analysis and report by Cooper.

###

*CFA is a nonprofit association of some 300 pro-consumer groups that was founded in 1968 to advance the interests of consumers through research, education, and advocacy.*