



Consumer Federation of America

1620 I Street, N.W., Suite 200 * Washington, DC 20006

March 13, 2007

The Honorable Edward J. Markey
United States House of Representatives
Washington, DC 20515

The Honorable Todd Platts
United States House of Representatives
Washington, DC 20515

Dear Congressmen Markey and Platts:

The Consumer Federation of America writes to commend you on your landmark legislation to increase combined average fuel efficiency standards for cars and trucks sold in America.

In his State of the Union address to Congress in January 2006, President Bush declared that America is addicted to oil. A year later in his January 2007 State of the Union address, President Bush called for steps to break that addiction. With gasoline prices above \$3.00 in some parts of the country, continuing tensions in the Middle East where over half the world's oil is located, and concerns mounting over global warming, now is the time for action, not talk.

Increasing the efficiency of American cars and trucks is the “sweet spot” at the intersection of oil policy – lowering consumer costs, reducing oil imports and cutting greenhouse gas emissions. Among our policy choices, increasing fuel efficiency is the only approach that simultaneously serves all three public policy goals.¹

The Markey-Platts bill requires the fuel efficiency of new cars and trucks to increase by ten miles per gallon over the next ten years and by 4 percent every year thereafter. Automobile manufacturers would have to ensure an average fuel efficiency of about 41 miles per gallon by 2022. Our analysis shows that this is a readily achievable goal that helps consumers, while simultaneously lowering oil imports and green house gas emissions. By 2022, our imports would be reduced by 2.2 million barrels per day (over 15 percent), consumers would save almost \$25 billion per year, and the emission of global warming pollutants would be reduced by hundreds of millions of tons.

Our analysis shows that from the consumer point-of-view, these increases in fuel efficiency pay for themselves because the reduction in spending for gasoline equals or exceeds any increase in the cost of vehicles.² A ten mile-per-gallon increase in fuel efficiency would save consumers about \$1,500 over the period of a typical five-year auto loan. These savings would more than cover the increased costs that consumers would pay for a more fuel efficient car.

¹ http://www.consumerfed.org/pdfs/Energy_Blueprint.pdf

² http://www.consumerfed.org/pdfs/50_by_2030.pdf

While additional policies should be pursued to lower oil imports, consumer costs, and greenhouse gas emissions, increasing fuel efficiency is the single most important step this nation can take to address our dangerous energy situation.

The urgency of moving forward is readily apparent when we consider the role that the United States plays in global oil and energy consumption. The U.S. consumes about 25 percent of the world's oil and gasoline, but we have less than 3 percent of the world's oil reserves. We import more oil than just about any other nation (twice as much as the second largest importer) and we export huge sums of money to pay for it (over \$300 billion in 2006). These imports weaken our economy and our national security. We also emit about a quarter of the world's global warming pollutants. Thus, consumer, national security and environmental interests have converged. It is time for the U.S. to cure our oil addiction by sharply cutting consumption and taking the lead in solving the broader global problem of oil consumption.

Unfortunately, the average fuel efficiency of American vehicles has been stuck in neutral for almost two decades. Corporate Average Fuel Economy (CAFE) standards have not been increased significantly in recent years and U.S. auto manufacturers have actually been heading in the wrong direction—toward less fuel efficient vehicles.³ From 1976 to 1996, the CAFE program was extremely effective at cutting oil consumption and increased the efficiency of the vehicle fleet by almost 50 percent. Over the past decade, however, we have gotten lazy and allowed the average fuel economy to stagnate.

Now is the time to substantially increase the CAFE standards, close the program loopholes, and get America on the road toward greater fuel efficiency and reduced oil consumption. The Markey-Platts bill mandates increases in fuel efficiency that can be achieved with technologies that the National Academy of Sciences identified as “off-the shelf” five years ago. Over 80 percent of the respondents to CFA's national public opinion poll support increasing the CAFE standards.

Now is the time to enact a major increase in the CAFE standards. The Markey-Platts bill establishes a target that is achievable and will go a long way toward cutting oil consumption, reducing oil imports and lowering green house gas emission in the U.S.

We look forward to working with you to enact this important legislation.



Stephen Brobeck
Executive Director



Mark Cooper
Director of Research

cc: Members of the Energy and Commerce Committee of the United States House of Representatives

³ http://www.consumerfed.org/pdfs/Stuck_in_Neutral.pdf