



## Consumer Federation of America

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

April 20, 2007

The Honorable Daniel K. Inouye  
United States Senate  
Washington, DC 20510

Dear Senator Inouye,

**As the Commerce Committee prepares to mark up legislation to improve the fuel economy of vehicles in this country, the Consumer Federation of America (CFA) urges you to support S. 357, the bipartisan *Ten-in-Ten Fuel Economy Act*.** This legislation would increase corporate average fuel economy (CAFE) standards for cars and trucks sold in America by ten miles per gallon in ten years. Increasing the efficiency of American cars and trucks is the “sweet spot” of oil policy—lowering consumer costs, reducing oil imports and cutting greenhouse gas emissions. Among the policy choices available, increasing fuel efficiency is the only approach that simultaneously serves all three public policy goals.<sup>1</sup>

**Average fuel economy would increase to 35 miles per gallon in 2019.** Under the bill, U.S. imports would be reduced by 1.7 million barrels per day (over 10 percent) by 2019, consumers’ gasoline bills would be lowered by almost \$70 billion per year, and the emission of global warming pollution would be reduced by 500 billion tons per year. CFA’s 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.<sup>2</sup> 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. Over 80 percent of the respondents to CFA’s national public opinion poll support increasing the CAFE standards.

**The CAFE “loophole” for Sport Utility Vehicles (SUVs) and light trucks would be eliminated.** Current law does not require automobile manufacturers to meet CAFE standards for light trucks and SUVs. As a result, SUV and light truck gas mileage is the poorest of all passenger vehicles.

**New vehicles would be required to have “real time” fuel economy and tire pressure indicators on their dashboards.** Such features would give consumers the information they need to drive more efficiently and consume less gasoline. According to a May 2005 CFA public opinion survey, 78 percent of all Americans support requiring auto companies to add a dashboard feature indicating contemporaneous miles-per-gallon.

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<sup>1</sup> [http://www.consumerfed.org/pdfs/Energy\\_Blueprint.pdf](http://www.consumerfed.org/pdfs/Energy_Blueprint.pdf)

<sup>2</sup> [http://www.consumerfed.org/pdfs/50\\_by\\_2030.pdf](http://www.consumerfed.org/pdfs/50_by_2030.pdf)

The need to increase the fuel economy of American vehicles is vital given 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 while holding less than 3 percent of the world's oil reserves. This country imports twice as much oil as the second largest importer, and to pay for it the U.S. exports \$300 billion (2006) to foreign governments that are often hostile to America's national interest. This dependency weakens the nation's economy and national security.

Unfortunately, CAFE standards have not been increased significantly in recent years and U.S. auto manufacturers have actually been heading toward *less* fuel efficient vehicles.<sup>3</sup> 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, policymakers have gotten lazy and allowed the average fuel economy to stagnate. The Ten-in-Ten Fuel Economy Act (S.357) will increase the fuel efficiency of the vehicle fleet by ten miles per gallon in ten years, which is desperately needed to break the business-as-usual quagmire in which fuel economy has been stuck for the past two decades.

While additional policies should be pursued to lower consumer costs, oil imports, and greenhouse gas emissions, increasing fuel efficiency is the single most important step this nation can take to address its dangerous energy situation. **A strict ten-in-ten program is good for consumers, good for the nation, and good for the environment. Anything less, including amendments that allow "off ramps" to this requirement in less than ten years, would ignore the needs of the American people, who have embraced fuel efficiency as a critically important step to ending the nation's oil addiction and solving this nation's energy problems.**

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



Travis B. Plunkett  
Legislative Director



Mark Cooper  
Director of Research

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<sup>3</sup> [http://www.consumerfed.org/pdfs/Stuck\\_in\\_Neutral.pdf](http://www.consumerfed.org/pdfs/Stuck_in_Neutral.pdf)