



Consumer Federation of America

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NEW FUEL ECONOMY LABELS WILL EMPOWER CONSUMERS

Companies Offering Fuel Efficient Vehicles Will Rejoice, Those That Don't Will Grouse

Washington, D.C. – New fuel economy labels introduced today by the U.S. Department of Transportation and the Environmental Protection Agency will go a long way to helping consumers make better vehicle purchases. “Our surveys make it clear that consumers not only want more fuel efficient vehicles, but are willing to pay for them,” said Jack Gillis, CFA’s Director of Public Affairs and author of *The Car Book*. “Any time you provide consumers with the ability to make comparative choices, you empower them in the marketplace,” said Gillis.

The three most innovative changes on this label, which will be required on every new car sold in the U.S., are the posting of how much consumers will save or spend on fuel over the next five years compared to the average new vehicle, a simple 1-10 greenhouse gas/fuel economy rating, and an estimate of how much fuel or electricity it takes to drive 100 miles. All of these items will enable buyers to quickly see how the vehicles stack up against each other.

“Not only will consumers be better able to vote with their dollars for more fuel efficient vehicles, but these new ratings will provide a powerful market incentive for car companies to improve the efficiency of their offerings,” said Gillis. “It won’t take long for the car companies who offer vehicles with 9 and 10 ratings to reap the rewards that come with offering the cleanest and most fuel efficient vehicles. On the other hand, it’s going to be pretty difficult to sell a vehicle with a 1 or 2 rating, when consumers can readily see the alternatives,” said Gillis.

Included on the label will be comparative information for hybrid and electric vehicles – allowing consumers to better compare them with gasoline powered vehicles.

“In our analysis of EPA mileage ratings to date, we’ve consistently found great variations in the fuel economy of vehicles in the same size class. This means that consumers seeking more fuel efficient vehicles don’t have to move into vehicles that may not meet family transportation needs. These new ratings will make it very easy for consumers to see the wide variations within the same class of vehicles,” said Dr. Mark Cooper, CFA’s Director of Research. Note: Because the 1-10 ratings cover all vehicles, consumers will not only be able to compare vehicles within a particular class, but across all classes of vehicles.

CFA participated in the early development of these new labels and testified to their importance from a consumer pocketbook perspective. “We plan to continue our efforts to insure that new fuel efficiency standards respond to the strong consumer demand for more fuel efficient vehicles,” said Gillis.

“This is a new day for auto buyers, and the result will be tremendous market pressure on the car companies to dramatically increase the fuel efficiency of the vehicles they offer,” said Gillis.

The Consumer Federation of America is an association of nearly 300 nonprofit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education.