



Consumer Federation of America

Comments by Jack Gillis

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Program**

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My name is Jack Gillis. I am Director of Public Affairs at the Consumer Federation of America (CFA) and author of *The Car Book*. Formed in 1968, CFA is an association of nearly 280 non-profit organizations, working to advance the consumer interest through research, education, and advocacy. We greatly appreciate the opportunity to testify on what we believe are standards that will protect consumer pocketbooks and choice in future showrooms and reduce our dependence on oil.

As a consumer and auto expert I urge the California Air Resources Board to approve a strong Advanced Clean Cars Program. In practice, tailpipe emissions standards encourage the development of cars that go farther on a gallon of gas, and of alternatively-fueled vehicles. The result is cleaner, more efficient cars that help reduce America's vulnerability to oil and gasoline price shocks.

California's ability to set these strong standards is vitally important to the advancement of the auto industry and for meeting consumer demand for cleaner more efficient cars in states across the nation.¹

Consumers understand the benefits and have consistently voiced support for California's leadership on clean car standards. In fact, CFA's latest poll found that more than 70% of Americans support states being allowed to continue setting tailpipe emission standards that, as a result, increase fuel economy for motor vehicles.

In addition to CFA's survey results, the latest from *Consumer Reports*, found that:

- Eighty-one percent of respondents in California agreed that the state should require all automakers to significantly reduce the emissions of greenhouse gases from new cars, light-duty trucks and SUVs.
- Seventy-five percent of California consumers think California should require automakers to build fleets that include increasing numbers of zero emission vehicles, including electric and hydrogen fuel cell cars.
- Seventy-seven percent of Californians polled said there should be state requirements for oil companies to make cleaner fuels like hydrogen and electricity available for

public consumption when there are enough cars in the area that use those fuels.

And, just recently the researchers at Deloitte LLP found that 59% of consumers born from 1980 to the early 1990s preferred alternative power in vehicles. Hybrid gasoline-electric vehicles were favored by 57% of respondents.

This tells us that clean cars will likely be the choice for a majority of future consumers.

But, now is the time to push for cleaner cars. Last year, gasoline prices set a record high, averaging \$3.53 per gallon, pushing household gasoline expenditures to a record, as well, reaching an average of over \$2850 per year. Analysts say gas prices might be headed to record highs in 2012, with some expecting regular gasoline to climb as high as \$4.59 in California.ⁱⁱ

California has had a role in stimulating innovation in the automobile market by striking the right balance between setting achievable targets that push automakers to employ new technologies, some already being deployed to showrooms across the nation. Fourteen states and the District of Columbia adopted the previous round of updates to California's clean car standards and are poised to take action again.

A decade ago, when California first adopted innovative LEV/ZEV standards that would require hybrid and electric vehicles, the **automakers insisted it could not be done**, but California stood its ground. Today, there are thirty models available from all of the major automakers and the Prius is the best buy in its vehicle class.

Automakers need be on board with a standard that will help them align their product plans with future buyer preferences.

The updated ZEV component of achieving a 15 percent market penetration of zero emission vehicles by 2025 in the CARB proposal also fits well within the long-term plan and will play a central role in assuring that automakers reach the proposed national fuel economy standard of 54.5 mpg by 2025.

In order to achieve the long-term goal, electric vehicles will have to become a steadily increasing part of the vehicle fleet. Adoption of new technologies follows a specific pattern, with a slow initial period and then a rapid uptake. Leading the way on these Zero Emission Vehicles, California and the other Clean Cars states will spur steady progress in both the technology and consumer acceptance. The next generation of consumers will need less and less education on the benefits of these technologies. It will become as common as smart phones and tablets.

Consumers are counting on California to lead America to a cleaner, more sustainable, more affordable future. All of the consumers that voiced their support for these standards join me in encouraging the Board to vote "yes" for the strongest possible Advanced Clean Cars Program.

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- i “Gen Y Consumers Favor Hybrids, Connected Vehicles, Survey Shows,” Bloomberg Businessweek, January 19, 2011: <http://news.businessweek.com/article.asp?documentKey=1376-LY0H011A74E901-4E5LG3I48GLR6ICPO54552ODL9>
- ii “Gas prices might be headed to record highs in 2012, analysts say,” The Los Angeles Times, November 8, 2011, by Ronald D. White: <http://articles.latimes.com/2011/nov/08/business/la-fi-gas-prices-20111108>