



Consumer Federation of America

FOR IMMEDIATE RELEASE
May 22, 2012

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TOP 10 REASONS CONSUMERS WANT 54.5 MPG BY 2025

National Consumer Expert Calls Anticipated Fuel Economy Standards Top Consumer Protection Priority

Washington, DC – Calling it a top consumer protection priority, the Consumer Federation of America (CFA) unveils its “Top Ten” reasons consumers are giving the thumbs up to new federal standards designed to deliver more fuel-efficient vehicles to American drivers.

“What’s not to like?” said Mark Cooper, Director of Research for CFA, of the 54.5 miles-per-gallon (mpg) by the year 2025 standard, which is expected to be adopted late this summer. “Better gas mileage means more money in Americans’ pockets. Last year household gasoline expenditures set a record, reaching an average of over \$2,850. Consumers can’t stomach these prices and the new standards are the only way they’re going to get some relief.”

CFA’s ten reasons why steadily raising fuel economy standards to 54.5 mpg by 2025 for passenger cars and trucks will benefit consumers and the nation are:

- (1) The standards lower the total cost of driving from the minute you drive off the lot.** For the typical consumer who takes out a five-year auto loan, the monthly gas savings are greater than the increase in the monthly payment needed to buy a more fuel-efficient vehicle. Over the life of a vehicle covered by the new standards, the average buyer will bank a net savings of \$3,000.
- (2) The standards improve gradually over time, allowing the auto industry to build up their new, more fuel-efficient vehicles at a reasonable, steady pace.** Car companies redesign their vehicles on a three-to-five-year schedule, so introducing new technologies can take time. Increasing efficiency over time makes the introduction of new technology achievable.
- (3) Consumers will choose the vehicles they want. If they want a truck or an SUV, they’ll be able to buy them, but the vehicles will just be more efficient.** Under the standards, different classes of vehicles are required to meet different standards. Standards are higher for compact cars and lower for SUVs and pick-up trucks. Automakers do not have to switch to selling only compact cars and sedans to meet the standards.

(4) Consumers can choose the technologies they want—they won't be forced to buy into any one technology. Automakers will be able to meet the standards by improving gasoline-powered vehicles, or they can decide to delve into hybrids, electric vehicles, and other more advanced technologies. The standards do not favor any particular technology. Automakers will compete to deliver the best mix of vehicles across types and technologies. Consumers will have the full range of choices, and automakers will be able to offer the vehicles they think will sell best.

(5) Consumers will enjoy better, more fuel-efficient vehicles from ALL automakers. Under the standards, no single company can shirk the rules. If an automaker does not meet the standards, it will pay a fine. The major automakers support the standards because they know they can meet it—and they know that it is in their best interests to compete under a national standard that applies to all automakers.

(6) The standards will make the U.S. auto industry stronger. The rules are set at a level that puts the U.S. on par with the global auto market. In order to compete, automakers must spread the costs of product development across products that rely on a platform that meets global demand. Edging closer to international mileage standards for efficiency also makes American vehicles more competitive.

(7) Consumers value fuel-economy -- it's a worthwhile improvement in quality. It's expected that the new standards will increase auto prices by about \$300 per year over the next 15 years. That is less than the increases the automakers have imposed on the public by voluntary increases in quality over the past 15 years and today. Better fuel economy is priority #1 for enhancing quality.

(8) Consumers will be able to finance fuel-efficient vehicles. With gasoline now being the highest cost of driving - higher than most Americans' monthly car payment - some banks have begun to recognize that more fuel-efficient vehicles are more affordable, and are factoring that into their lending decisions.

(9) Lower income households will not be hurt by the new standards. Critics who want to keep consumers tethered to the expensive gasoline pump claim that the small increase in upfront cost could hypothetically render very low income-households ineligible for new car loans. This argument is a red herring. Consumer data shows that lower-income households are very unlikely to be in the new car market. These individuals are much more likely to buy used vehicles.

(10) In fact, lower income Americans are likely to benefit from the standards. Low-income families buy used cars. The standards will accelerate fleet turnover, increasing the supply of used cars.

“These ten reasons why the new fuel economy standards are good for consumers also show why they are good for the nation and enjoy the support of not only consumers, but automakers, labor unions, national security experts and environmentalists,” Cooper concluded.

The Consumer Federation of America is an association of nearly 280 nonprofit consumer organizations, established in 1968 to advance the consumer interest through research, advocacy, and education.