



Consumer Federation of America

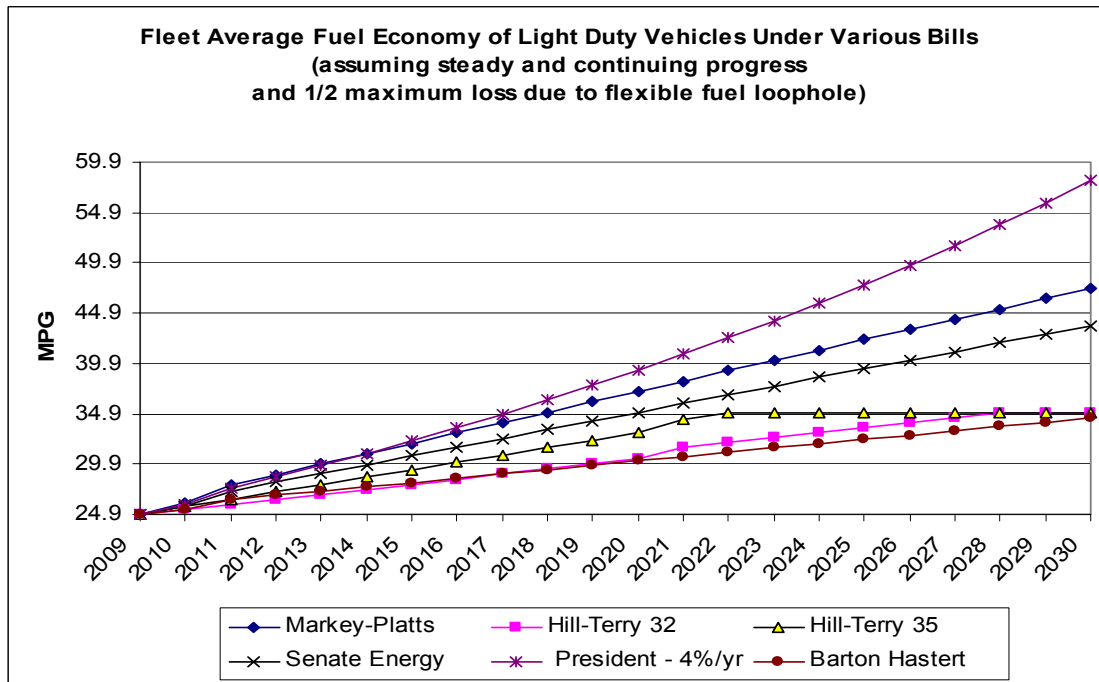
1620 I Street, N.W., Suite 200 * Washington, DC 20006

July 26, 2007

Dear Representative:

A new economic and technological analysis by the Consumer Federation of America (CFA) of legislation to increase vehicle fuel economy standards concludes that **the proposals that deliver the oil savings our country needs are the President's and the Markey-Platts bill.**¹ The conclusion is based on realistic fuel economy goals established in recent reports² by the National Petroleum Council and CFA.

Both reports conclude that **it is technologically feasible and economically beneficial to consumers for automakers to double the fuel economy of their vehicle fleets by 2030**, resulting in a reduction in oil consumption and imports of up to 5 million barrels per day. For the sake of American consumers, our national security, and the environment, we *must not* leave fuel savings on the table when they are entirely feasible and attainable.



¹ Cooper, Mark. *Technology, Cost and Timing: An Analysis of Competing Congressional Proposals to Raise Fuel Economy Standards*, Consumer Federation of America, July 2007.

² National Petroleum Council. *Facing the Hard Truths about Energy*, July 2007.

Cooper, Mark. *50 by 2030: Why \$3 Gasoline Makes the 50 MPG Car Feasible, Affordable, and Economic*, Consumer Federation of America, May 2006.

The graph above shows the fuel economy improvement paths for the major policy proposals that are being considered by the House of Representatives.³ By 2030, the alternative proposals (Hill-Terry and Barton-Hastert) will put vehicle fuel economy two decades behind what is achievable *today*. These bills establish a slow path of progress that will not achieve in 2030 the level of fuel economy the National Research Council identified as technically feasible and economically justified in 2002.⁴

As the graph shows, the Markey-Platts proposal is right on target for achieving the goal of doubling the fuel economy of the vehicle fleet, while the Hill-Terry and Barton-Hastert proposals fall far short of reaching the mid-term target of 35 mpg in about a decade (after a ramp up for retooling in the auto industry) and continue to fall farther behind over the second decade. Not only does the Hill-Terry bill fall short at the key benchmark, but it caps fuel economy standards at 35 mpg.

While CFA and the National Petroleum Council both agree it is feasible and beneficial to achieve 50 mpg by 2030, a key factor is timing. The lag time required for vehicle fleet turnover requires high targets with short deadlines to successfully double vehicle fleet fuel economy by 2030. Industry retooling takes several years and vehicles stay on the road for 10 years or more. Unlike the auto industry-backed proposals, the Markey-Platts bill has the right timing to get us to 50 mpg by 2030.

Given the national need to address the threats of rising gasoline prices, oil dependency, and global warming, raising fuel economy standards for American cars and trucks is not a question of *if*, but *by how much* and *when*. The two industry-sponsored alternatives deliver less than we need later than we need it. Passing either of these alternatives would give policymakers a false sense of accomplishment that would delay future improvements that are vital not just to our national security and public health, but to the economic wellbeing of all American consumers.

Sincerely,



Travis Plunkett
Legislative Director
Consumer Federation of America



Mark Cooper
Research Director
Consumer Federation of America

³ For a consistent basis for comparing the proposals, this graph assumes that steady progress is made toward the stated goals of the respective proposals. Some of the proposals, however, create incentives to change the vehicles mix, which would affect the actual savings (lower in the case of Barton-Hastert).

⁴ National Research Council. *Effectiveness and Impact of Corporate Average Fuel Economy (CAFE) Standards*, 2002.