



Consumer Federation of America

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CAR MAKERS TRY TO SCARE WHITE HOUSE INTO EXEMPTING GAS GUZZLING SUVs FROM NEW FUEL ECONOMY STANDARDS

Washington DC – According to a recent Wall Street Journal report, the car makers have asked the White House to essentially exempt SUVs and light trucks from a reasonable, but steady, overall increase to 56 mpg by 2025 that wouldn't begin until 2017.

“This is the same shortsighted thinking that got the U.S. automakers in trouble in 2008 when gas prices caused them to be loaded with expensive SUV inventories that just wouldn't sell,” said Jack Gillis, CFA Director of Public Affairs and author of *The Car Book*. “Not only is it economic suicide for the car companies to set themselves up for such a failure, but the U.S. taxpayers will not be able to bail them out again,” said Gillis.

“If the White House agrees to the various proposals of the car companies, reducing requirements for gas guzzling SUVs, lowering the fuel economy of cars with certain air conditioners, and providing an option to bail out on the standard, consumers will be paying literally billions of dollars more for gasoline than they should have to,” said Mark Cooper, CFA Director of Research.

“The tragic irony is that this kind of compromise will insure U.S. vehicles remain non-competitive in the global market,” said Gillis. “The U.S. already has much lower fuel economy standards than the rest of the world. Lowering the standards for 2025 will not only mean that our vehicles will be unpopular in the global market, but here in the U.S. foreign competition will again kill the U.S. automakers who depend on SUV sales,” said Gillis.

“We’ve clearly demonstrated that reaching 56 mpg by 2025 is both achievable and reasonable. In addition, not only is it good for consumers, but it will reduce our dangerous dependence on foreign oil and insure that the U.S. automakers remain competitive in a global market,” said Cooper.

“On the other hand, the auto industry’s ‘slow-lane, off-ramp’ proposal will totally undermine the essential benefit of a slow but steady climb to 56 mpg by 2025,” said Cooper. “The industry’s ‘slow-lane’ proposal will lower consumers savings by up to \$50 billion, increase gasoline consumption and oil imports by hundreds of millions of barrels, and reduce employment in the auto sector by at least 50,000 jobs,” said Cooper.

“If the administration accepts the automakers gambit, the President cannot possibly achieve his stated goals to reduce our nation’s dependence on foreign oil,” said Cooper.

“While lobbying the White House in Washington, the car companies have trotted out the old fear campaigns that they’ve historically used to try to resist fuel economy and safety improvements over the years, claiming that automobiles will be more expensive, smaller and less safe and that consumers won’t buy them,” said Gillis. “Their fear-filled predictions have been proven wrong time and time again. We heard that requiring airbags would add thousands to the cost of a car and consumers wouldn’t want them. We heard that publicizing crash test data was misleading, unfair and would not be understood by consumers. Well, today there is nary an ad that doesn’t tout the number of airbags or crash test performance,” said Gillis. “As they were then, the car companies today are flat out wrong with their claims of high technology costs, tiny cars, and consumer rejection of fuel efficient vehicles.”

The Consumer Federation of America is a nonprofit association of nearly 300 consumer groups that, since 1968, has sought to advance the consumer interest through research, advocacy, and education.