



## Consumer Federation of America

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### **ANNUAL HOUSEHOLD GASOLINE EXPENDITURES TOPPING \$3,000 DRIVES CONCERN ABOUT GAS PRICES AND SUPPORT FOR HIGHER AUTO STANDARDS**

***Latest CFA Survey Finds: 85% Concerned About Gas Prices; 65% Support 60 mpg Standard by 2025; 65% Support State Involvement in Setting Emissions Standards; Republicans and Democrats Favor 60 mpg and State Involvement***

Washington, D.C. – A recent national survey of 2000 representative Americans found that very large majorities (85 percent) are concerned about gas prices, think it important to reduce oil consumption (87 percent), and believe it important to increase fuel economy standards (75 percent). The survey also revealed that most Republicans, as well as most Democrats, agree that the federal government should require car companies to meet an average 60 miles-per-gallon (mpg) standard by 2025 with a five-year payback period (lower fuel costs pay for higher car costs).

The survey, which is analyzed in a report entitled *Rising Gasoline Prices and Households Expenditures: Will Policymakers Get Serious About Ending Our “Addiction to Oil” by Supporting a 60 Mile Per gallon Standard?*, was commissioned by Consumer Federation of America (CFA) and undertaken by Opinion Research Corp. on April 14-18, 2011. The margin of error for the double sample of 2000 is plus or minus two percentage points.

“Concern about volatile gasoline prices and support for higher standards is driven by the huge and rising bite gas expenditures are taking from household budgets—from less than \$2000 in 2009 to more than \$3000 this year,” said Mark Cooper, CFA’s research director and energy expert. “Pain at the pump, along with the country’s oil import dependence, has produced a growing consensus that the federal government should substantially increase fuel economy standards. And among independent technical experts, there is a growing consensus that committed car companies could meet these higher standards.”

This growing agreement among both consumers and experts is particularly important now because two federal agencies—the Environmental Protection Agency and the National Highway Traffic Safety Administration—and the California Air Resources Board, as the leader of the Clean Cars program adopted by 14 states, are considering standards that will affect vehicle emissions and fuel economy out to 2025. One proposal

under consideration would increase fuel economy by six percent a year, starting in 2017, more than doubling the fuel economy of the light duty vehicle fleet to over 60 mpg by 2025.

### **More Fuel-Efficient Cars Are Being Made and Bought**

Several years ago, such a goal was considered by many to be unrealistic. But today, both Toyota and General Motors have said they could comply with a 60 mpg standard by 2025, and car companies are making available an increasing number of fuel-efficient models including 30 electric models.

In our analysis of changes in the vehicle mix from 2008 to 2011, the number models getting over 30 mpg increased from 14 models among the 2008 models to 60 in 2011. Even more significantly, consumers are buying those vehicles. In 2008, the percent of cars purchased with over 30 mpg among the top 100 selling vehicles was 6 percent. In 2011, that percentage jumped to 15 percent.

“Actual sales data is very clear: Consumers are willing to pay for more fuel-efficient vehicles. In addition, significant fuel economy improvements are well within the reach of the car companies, even though they profess the near impossibility of attaining the fuel efficiency demanded by today’s beleaguered car buyer,” said Jack Gillis CFA Director of Public Affairs and author of *The Car Book*.

Consumers may also be growing more aware that higher fuel economy offsets higher car costs. CFA’s analysis shows that, based on the most recent EPA-NHTSA analysis of costs, a 60 mpg standard pays for itself in less than five years and reduces consumer costs, over the life of the car, by \$6400 on average.

### **Americans in Both Clean Car and Automotive States Support Higher Fuel Economy Standards**

By roughly two-to-one margins, the nationwide survey found that Americans support:

- The federal government requiring car companies to meet a 60 mpg standard by 2025 (62 percent vs. 32 percent).
- A federally-set 60 mpg standard with a five-year payback period (64 percent vs. 30 percent).
- State governments being permitted to continue setting vehicle emissions standards (65 percent vs. 31 percent).

Under authority provided by the Clean Air Act (CAA), California can set its own vehicle emissions standards, and other states can choose to follow California’s or the federal standard. Cleaning up vehicle emissions often provides the additional benefit of reducing fuel consumption. To date, 14 jurisdictions have elected to follow California’s standards, which until recently, have been more stringent than the federal standards.

One question raised is: Are residents of auto manufacturing states like Michigan, Ohio, and Indiana less likely to support higher fuel economy standards than those in California and other Clean Car states? The survey, which had a large enough sample to test this question, found that 70% of respondents in auto manufacturing states support a 60 mpg standard with a five-year payback period—similar to residents of other states. Also, more than three-fifths of each group favor state governments being permitted to continue setting vehicle emissions standards.

“Historically, auto manufacturers have lagged behind consumer demand when it comes to providing the advanced clean cars that consumers want to buy. California’s standards have forced car companies to make cleaner cars, which tend to run on less gas—good for the consumer and good for the economy, overall,” said Ken McEldowney, executive director of Consumer Action, a national group based in California. “California is working closely with the federal government to ensure our state and our nation benefit from better standards in the future.”

### **Most Republicans and Democrats Support Higher Federally-Set Fuel Economy Standards**

As the survey revealed, the issue of increased motor vehicle fuel economy does not sharply divide Republicans and Democrats. More than three-fifths of both Republicans and Democrats think it important to reduce oil consumption, support the federal government requiring car companies to increase fuel economy, and favor an average 60 mpg standard, with a five-year payback period, by 2025.

“Thus, any anti-government fervor that is presumed to exist in the United States today, apparently does not extend to fuel economy standards, noted CFA’s Cooper. “We now have a unique opportunity to make these improvements.”

A copy of the study can be downloaded at:

[http://www.consumerfed.org/pdfs/CFA Increasing Fuel Economy Report revised 5-31-11.pdf](http://www.consumerfed.org/pdfs/CFA%20Increasing%20Fuel%20Economy%20Report%20revised%205-31-11.pdf).

*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.*

*Consumer Action is a San Francisco-based consumer advocacy and education organization that works through a national network of more than 8,000 community based organizations.*