Consumer Federation of America
1620 I Street, N.W., Suite 200 * Washington, DC 20006

FOR IMMEDIATE RELEASE:
June 19, 2007

Contact: Mark Cooper
301-384-2204; 301-807-1623

AUTOMAKERS ATTEMPT TO SLASH OIL SAVINGS IN SENATE ENERGY BILL

New CFA cost-benefit analysis finds radically higher oil consumption with industry "low and slow" motor vehicle fuel economy amendment.

Washington, D.C. June 19, 2007 – A new analysis released today by the Consumer Federation of America (CFA) shows dramatically higher oil consumption and lower consumer savings if the auto industry succeeds in tacking their amendment onto the Senate energy bill (H.R. 6), scheduled for a vote tomorrow.

The analysis concludes that, over the long term, the Senate energy bill would lower oil consumption by over 5 million barrels per day or 20 percent, the equivalent of imports from the Persian Gulf and more. The automakers' amendment, which is being managed by Michigan Senator Carl Levin, has lower savings targets and a slower pace of implementation that would save less than half as much oil.

"In the next decade, the auto industry approach would forego 30 to 50 billion gallons of gasoline savings achievable under the fuel economy provision of H.R. 6, savings that would cost only $1 per gallon to achieve," said Mark Cooper, CFA Director of Research. "It is reckless from the consumer point of view and irresponsible from the national point of view for the Senate to turn its back on these energy savings."

The CFA report uses estimates from the National Highway Traffic Safety Administration (NHTSA) and examines the consumer pocketbook impact and national cost-benefit of specific proposals on which the Senate will vote this week to increase fuel economy of light duty vehicles (cars, pick-ups, SUVs and vans).

The Senate energy bill would increase fuel economy by ten miles per gallon in ten years ("10-in-10"). The auto industry proposal would take five years longer to achieve about a 25 percent less increase in fuel economy. By 2025, the analysis concludes that the auto industry approach would achieve less than half of the gasoline savings than the Senate energy bill. (See attachment 1 below.)

This analysis is one of several CFA reports over the last two years examining the consumer pocketbook and national cost-benefit impact of various approaches to increasing fuel economy of the light duty vehicle fleet (cars, pick-ups, SUVs and vans). It reaches the following conclusions:

--MORE--

- The increase in fuel economy targeted by the Senate fuel economy measure pays for itself, in both the short and long term. **The increase in the cost of vehicles to achieve the fuel economy standards mandated by the Senate energy bill would be more than offset for consumers by lower expenditures on gasoline.** (See attachment 2 below.) This is true from the first month the bill takes effect until 2030.
- Rural consumers enjoy even larger benefits under H.R. 6. Rural households spend about 20 percent more on gasoline because they drive 15 percent more miles and get 6 percent fewer miles per gallon than urban households. **The fuel savings for rural households are roughly twice as large as the national average over a typical five-year loan**.
- Based on an analysis prepared by NHTSA, CFA finds that **the benefit of increasing fuel economy for trucks as mandated in the Senate energy bill is about two and a half times as much as the benefit for increasing the fuel economy for cars.**

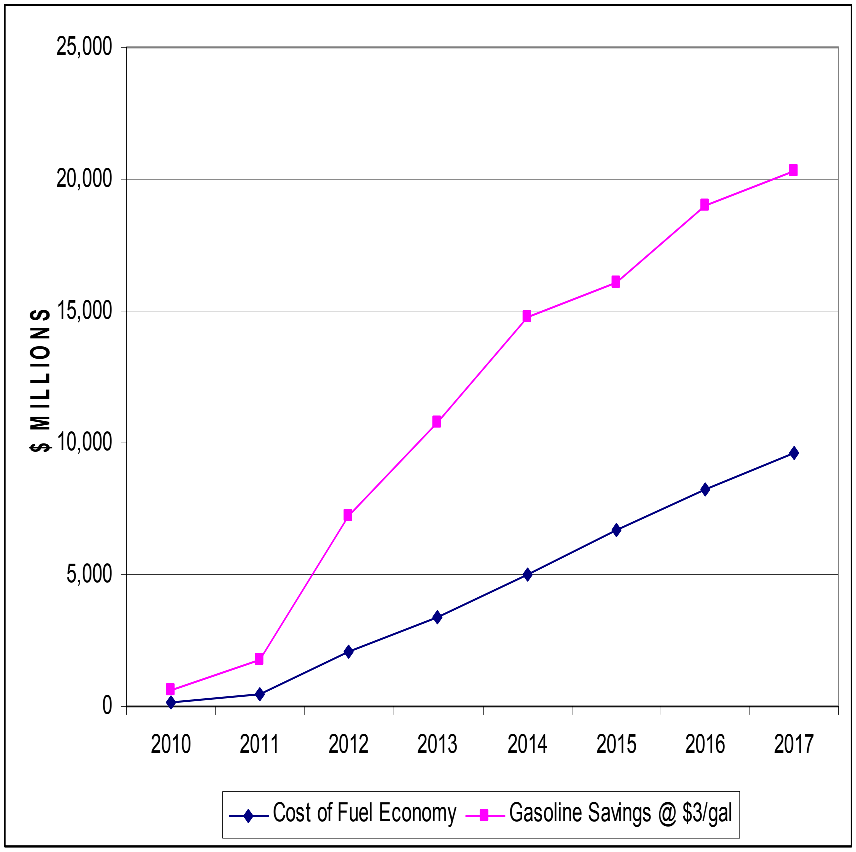
"Just as they fought seatbelts, airbags, antilock brakes and unleaded fuel, the auto industry is now trying to derail meaningful action to decrease America's dangerous oil dependency," Cooper, added. "If the Senate bows to the industry's demand, America will be paying the bill for decades."

The full report can be found at:
http://www.consumerfed.org/pdfs/Senate_Commerce_Auto_Industry_Comparison.pdf

####

*** ATTACHMENTS BELOW ***

Attachment 1: Additional Benefits and Costs of "10-in-10" Compared to the Auto Manufacturers' Proposal



Attachment 2:
Consumer Analysis of 35 mpg Vehicles: Rural Households Save Twice as Much

	All Households	Rural Households
Loan Payment Increase	$1909	$1909
Life of Loan (5 years)		
Fuel Cost Savings	$2487	$2984
Net Savings	$578	$1075
Life of Vehicle (10 years)		
Fuel Cost Savings	$3480	$4176
Net Savings	$1571	$2267

Assumptions: $3 per gallon, constant real dollars; 5-year, 7% loan; an average $1600 per vehicle to achieve 35 mpg. Rural household gasoline expenditures exceed urban households by 20%.