



10 Reasons To Like 54.5 MPG by 2025

Better gas mileage means more money in Americans' pockets. What's not to like? A national standard of 54.5 mpg by 2025—now being considered in Washington—enjoys broad support from automakers, consumer advocates, labor, environmentalists, and (according to polls) the general public.

The lone voice in opposition: car dealers, who think buyers will balk at paying more up front for a dramatically more fuel-efficient car. But buyers will save money starting right away because of lower expenditures on gasoline and in the long term better gas mileage is a no-brainer. Still the car dealers keep overestimating the costs, while ignoring the benefits.

Here are ten good reasons why steadily raising fuel economy standards to 54.5 miles per gallon by 2025 for passenger cars and trucks will be beneficial to consumers and the nation and why the auto dealers are foolish not to support the standard:

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.

It was George W. Bush who declared the U.S. is addicted to oil and signed the Energy Independence and Security Act passed by Democrat majorities in both houses of Congress. This bipartisan legislation reformed and restarted the process for setting fuel economy standards after a quarter century of stagnation. The Bush Administration Acted quickly to implement the new program and the Obama administration has accelerated the process and coordinated the standards across federal agencies and the states.

This is a rare example of bipartisan support for a program that works. In the past four years, the U.S. has lowered its oil imports more than at any time in the past thirty years, and increasing fuel economy played a big part in that remarkable turnaround. Eighty percent of the public supports higher fuel economy standards.

A long-term commitment to doubling the fuel economy of new vehicles—54.5 mpg by 2025—is the best road forward for American consumers.