



## Consumer Federation of America

**FOR IMMEDIATE RELEASE**  
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### **AVERAGE AMERICAN HOUSEHOLD PAYS \$1,100 A YEAR TO FUEL THE NATION'S TRUCKING FLEET**

#### **New Standards Will Save Billions for Consumers Who Now ‘Pay the Freight’**

LONG BEACH, Calif. — August 18, 2015 — At a public hearing on increasing national fuel-efficiency standards for medium- and heavy-duty trucks, the Consumer Federation of America’s director of public affairs and vehicle expert Jack Gillis presented the results of two national surveys demonstrating that consumers understand that the cost of fuel inefficient trucks is passed on to them and that they would like to see standards requiring increased fuel efficiency.

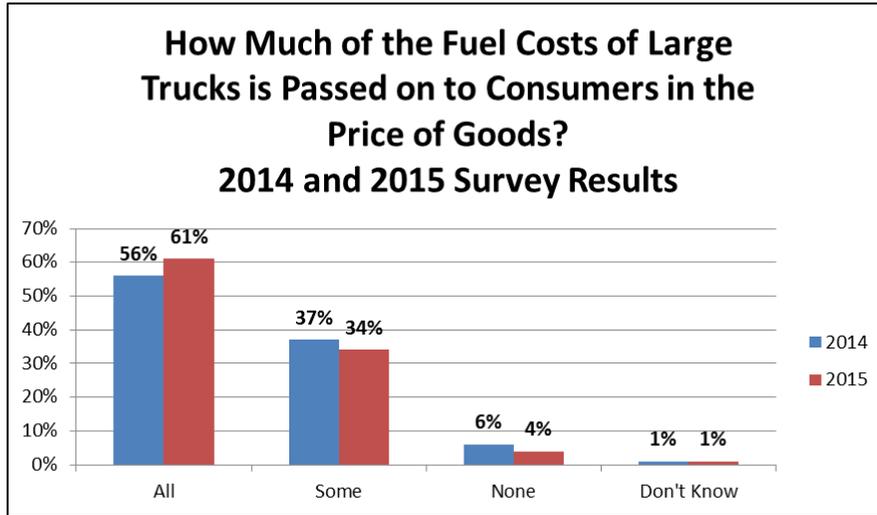
“When it comes to goods and services, the American consumer really does ‘pay the freight.’ More than **\$1,100** of the cost of the everyday goods and services households buy annually goes to pay for the fuel used to transport those goods and services,” said Gillis. “From a household energy expense perspective, **the amount consumers pay for truck fuel is almost as much as they spend for home electricity and about half of what a typical household pays for gasoline.**”

Two Consumer Federation of America surveys (July 2014 and most recently, July 2015), found that the vast majority of consumers (over 90%) understand that “some, most, or all” of the fuel costs of heavy-duty trucks, which transport virtually every consumer good, are passed on to consumers. In fact, over 55 % believe that “all or most” of these costs are passed on to the consumer.

While public debate on the issue has largely focused on environmental and industry concerns, consumer economics are an important component of the decision to implement the proposed standards.

“The bottom line: consumers get it. As a result, the Consumer Federation of America will be working hard to ensure the proposed standards are, in fact, adopted and implemented. In this particular case, what is good for the consumer’s pocketbook is also good for the environment and the economics of the trucking industry,” said Gillis.

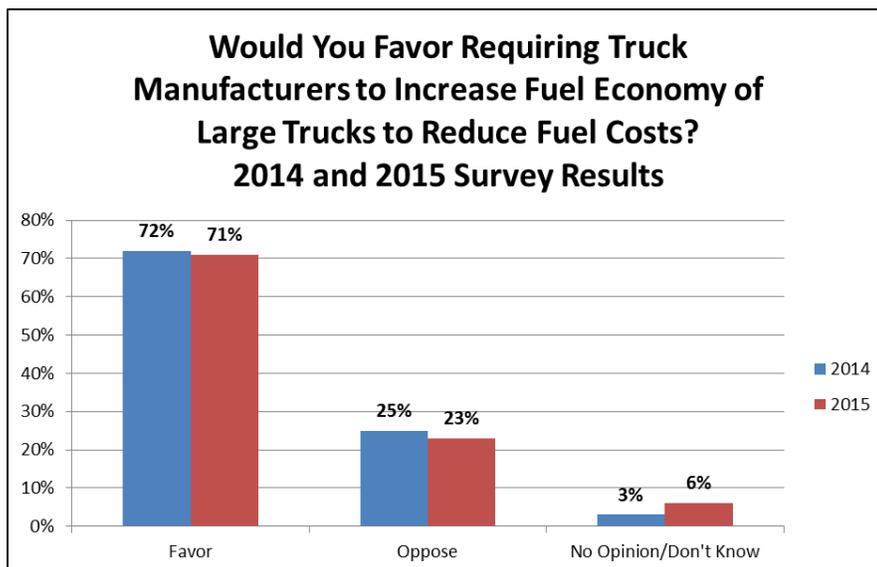
**Do Consumers Understand that Truck Fuel Costs Are Passed on to Them?**



With the average American household spending **over \$1,100 on** consumer goods and services to cover the costs of filling up inefficient trucks each year, implementing these standards will put an estimated \$200 back into household budgets each year or a total savings of a whopping \$170 billion nationwide. Consumer dollars saved through energy efficiency are often spent on goods and services, contributing to economic growth.

In both of the CFA surveys, consumers clearly understood the possibility of these savings as nearly three-quarters of the respondents favored requiring truck manufacturers to increase the fuel economy of large trucks. Both surveys were conducted by ORC International, and in each poll ORC surveyed over a thousand Americans with an error rate of +/- 3%.

**Do Consumers Favor Standards Requiring More Fuel Efficient Trucks?**



While consumer support for big truck fuel economy is already substantial, as consumers better understand the impact these policies have on their pocketbooks, public support will become stronger. The proposed truck fuel efficiency standards are an economic win-win-win as they will benefit consumers' pocketbooks, truck fleet owners/operators, the economy and the environment. Clearly, the vast majority of consumers understand how important these standards are, and want them to go into effect.

In addition to the significant consumer benefits of the proposed new standards, there are other strong arguments, which justify increasing them, including:

- The cost of implementing the standards will far outweigh the costs. The typical payback period for energy saving technology for a diesel tractor-trailer will be about 14 months. In the first eight years the payback will be five times the cost, and these trucks are on the road for significantly more than eight years. Using this cost/benefit ratio to estimate the financial benefits to households—the rule reduces the consumption of tractor-trailers by about 18.5%,<sup>1</sup> and the fuel savings are six times as large as the technology costs.
- Currently, there are market imperfections that cause the underinvestment in energy savings technologies, and performance standards are a good tool to reduce or eliminate these market imperfections.
- In order to assess future fuel savings, we would have to adjust for the price of energy and the growth of freight truck fuel consumption using projected figures from the EIA *Annual Outlook*. If the fuel standards are adopted, however, consumption will not grow as much as currently suggested by the *Outlook*. Ironically, the projected consumption growth is 15%, which will be offset by the standard.

The data referred to above are provided in an update of CFA's analysis: [\*Paying the Freight: The Consumer Benefits of Increasing the Fuel Economy of Medium and Heavy Duty Trucks, Version 2.0\*](#), which is being released and put into the record at today's federal hearing.

While others have made strong environmental and industry economic arguments regarding the benefits of the proposed rule, CFA believes that consumer benefits will be in the billions, and we will further demonstrate why the standards are needed in our official comments on the proposed rule.

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<sup>1</sup> EPA/NHTSA, Regulatory Impact Analysis, Medium and Heavy Duty Truck Rule, p. 5-3.

***About the CFA polls cited in this statement***

CFA commissioned ORC International to poll over a thousand Americans in [July 2014](#) and [July 2015](#) about the Obama Administration's proposed fuel-efficiency rules for heavy-duty trucks.

The sampling error rate was +/- 3%.

*The Consumer Federation of America is an association of more than 250 non-profit organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education.*

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