UNPRECEDENTED SUPPORT FOR 54.5 MPG STANDARD AS PUBLIC COMMENT PERIOD ENDS

New Rule Will Protect Consumer Pocketbooks and the Nation Says 24 of America’s Consumer Groups

Washington, DC – The growing public concern about gasoline and its burden on household budgets has resulted in a remarkable consensus in support of higher fuel economy standards, a consensus that includes car makers, unions, consumer activists, federal and state regulators, and both political parties.

In order to determine the impact of this standard on both consumers and the nation, the Consumer Federation of America has analyzed the economics of fuel economy in relation to the proposed 54.5 MPG goal by 2025. CFA’s analysis, co-submitted to EPA and NHTSA with 23 other consumer organizations*, clearly demonstrates from the consumer, economic, security and environmental point-of-view, that implementing the proposed standards are a “win-win-win-win.” This could easily be one of the most significant energy related regulations in our nation’s history.

“By far the single largest benefit of ‘54.5 by 2025’ is the reduction of consumer expenditures on gasoline,” said Dr. Mark Cooper, CFA’s Director of Research. “The consumer pocketbook savings for the typical consumer with a 5 year auto loan will be immediate and substantial.”

“The consumer benefits of the new standard are enormous. Consumers will be ‘cash-positive,’ right from the first month of ownership—even with the increased cost of new technology,” said Jack Gillis, CFA’s Director of Public Affairs, auto expert, and author of The Car Book.

Consumer and National Benefits of 54.5 MPG by 2025:

- The standards will lower the cost of driving in the very first month after a new car purchase. The reduction in gasoline expenditures is greater than the increase in the monthly payment to cover the cost of fuel saving technology.
- Consumers will save an average of nearly $800 by the end of a typical auto loan and $3000 by the 10th year of ownership.
• The total national benefits are close to $600 billion, well over three times their cost. Because higher fuel economy standards primarily benefit consumers, the consumer’s share of the savings are close to $500 billion.

• Reducing oil consumption and imports by almost 4 billion barrels will cut the balance of payments deficit by $370 billion.

• The standard will boost America’s economic growth by driving down the price of oil by $0.25 per gallon, lowering vulnerability to oil price shocks, and reducing the need for national security expenditures.

*Member groups joining the Consumer Federation of America to submit comments on the proposed standards for cars and light duty trucks:
Arizona Consumers Council
Arizona PIRG
CALPIRG
CoPIRG
Citizens' Utility Board of Oregon
Consumer Action
Consumer Assistance Council
Consumer Federation of the Southeast
Consumers for Auto Reliability and Safety
Chicago Consumer Coalition
Florida Consumer Action Network
Illinois PIRG
Iowa PIRG
Maryland PIRG
Massachusetts Consumers’ Coalition
Massachusetts Consumers Council
MASSPIRG
New Jersey PIRG
U.S. PIRG
Utility Consumer Action Network
Virginia Citizens Consumer Council
Wisconsin Consumers League
WISPIRG

For a copy of the full comments go to: http://www.consumerfed.org/pdfs/CFA-NHTSA-EPA-Comments-FE-Standard-2-13-12.pdf

The Consumer Federation of America is an association of nearly 280 nonprofit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education.