



Consumer Federation of America

FOR IMMEDIATE RELEASE

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Statement of CFA Director of Public Affairs and Author of *The Car Book* Jack Gillis in Response to New EPA Fuel Economy Labels

NEW LABELS CAN INCREASE AUTOMAKER MILEAGE PERFORMANCE THE SAME WAY THE CRASH TEST RESULTS IMPROVED SAFETY PERFORMANCE

Washington D.C.—While auto dealers and manufacturers may object to providing consumers with the informative and potentially behavior changing information in the proposed new EPA fuel economy labels, they represent a giant step forward in our efforts to improve vehicle fuel efficiency and reduce our dependence on foreign oil.

Consumer Federation of America's consumer surveys clearly show that consumers want more fuel efficient vehicles. In these difficult times, what we spend on gasoline is a huge economic hardship for Americans and there is increasing concern about our dependence on the foreign oil for the gas we need to fill up our cars.

Providing letter grades and dollar values to describe a vehicle's fuel consumption is going to have a huge impact on consumer behavior. While we may not fully understand the economic impact of a 27 mpg vehicle versus a 17 mpg vehicle when shopping for a new car, we certainly understand the difference between a "B" and a "C" grade. In addition, as the vast majority of Americans scrimp and save from pay check to pay check, knowing that one vehicle will SAVE you close to \$2,000 on fuel costs over a five year period and another will COST you more than \$3,000 over five years (compared to the average vehicle) will be a huge purchase motivator.

Of course the car dealers and manufacturers don't like consumers getting this information while in their showrooms—it gives the beleaguered car buyer a fighting chance to purchase a more fuel efficient car instead of the one that the dealer may want to sell them.

Years ago, the auto industry fought giving consumers clear information about crash test performance. Safety advocates prevailed and now consumers can easily tell which cars do well in crash tests. More importantly, having the crash test information readily available in the marketplace, has forced automakers to dramatically improve the performance of their vehicles as consumers voted for safer cars with their pocketbooks.

Ironically, as the car dealers and auto industry fight against giving consumers powerful comparative fuel economy information, they are fearful that this 'free market' fostering tool will force them to make similar improvements in the fuel efficiency of the vehicles they are trying to sell.

In CFA's May 2006 *Energy Blue Print* we called for three new ways to disclose fuel economy information, color-coded mileage ratings, dashboard fuel economy gauges, and fuel economy disclosure in advertising. This new EPA label proposal is an excellent response to our call for color-coded ratings for specific fuel economy ranges. We will continue our effort for dashboard fuel economy gauges and fuel economy disclosure in advertising.

Car Makers Don't Like Being at the Bottom of the List

There is no question that this new labeling system will have a powerful impact on the way car companies make their vehicles. That is one reason why they are so afraid of making this information available to consumers. Not only will car buyers be able to vote for the better performing vehicles with their hard earned dollars, but the embarrassment factor for those "D" and "C" performers will, surely, motivate an effort to get off the 'bottom of the list.' Avoiding the 'bottom of the list' syndrome is a powerful free-market incentive for product improvement and these new labels will set the stage for that improvement.

The Consumer Federation of America will be studying the labeling options and make a recommendation to the EPA during the upcoming comment period. In the meantime, we will be working to ensure that this critical consumer information is, in fact, made available to the public. For over 5 years, CFA has been focusing on the improvement of vehicle fuel economy in order to protect consumers from both the ravages of unpredictable and increasing gasoline costs, as well as, address their growing concern about our dependence on foreign oil. This new labeling system will be a significant step forward on both of those fronts.

The Consumer Federation of America is an association of nearly 300 nonprofit consumer groups that was established in 1968 to advance the consumer interest through research, advocacy, and education.