



## H.R. 6 Treats Automakers Fairly on Fuel Economy Don't be Misled by Outrageous Automaker Claims

**FACT:** Two years ago, NHTSA changed the way they set light-duty truck standards, establishing fuel economy targets for different vehicle classes based on size. This gave the industry enormous flexibility in meeting new standards. The fuel economy provision in the Senate bill uses the same size-based system that the administration used for light trucks.

**FACT:** The Senate bill provides the ability to use vehicle size when setting fuel economy targets for cars and trucks, **completely changing the way manufacturers comply with CAFE.** Automakers will not have to sell more small vehicles to offset sales of large vehicles – because the smaller vehicles will have to meet a higher standard. ALL vehicles will have to use better technology to improve fuel economy, not just big vehicles. Full-line manufacturers will continue to produce SUVs, pickups and minivans under this reformed system and farmers and small businesses will get the performance they need while saving thousands of dollars.

**FACT:** Automakers that concentrate on the truck market won't have to compete on fuel economy with automakers that focus more on cars—the old competitiveness arguments are effectively eliminated. The 35 mpg goal applies only to the aggregate fleet of new cars and trucks sold by all automakers. NHTSA will be able to set separate fuel economy targets for different classes, so a company that focuses more on cars, like Volkswagen, would have to reach 39 mpg, while GM, which is spread out more across different size classes, would only have to reach 34 mpg. The new system requires all automakers to invest in fuel economy, addressing automaker complaints that they are currently being treated unfairly if they sell more large vehicles.

But don't just take our word for it, see what the administration and the automakers had to say about the administration's size-based, or reformed, CAFE standards for light trucks:

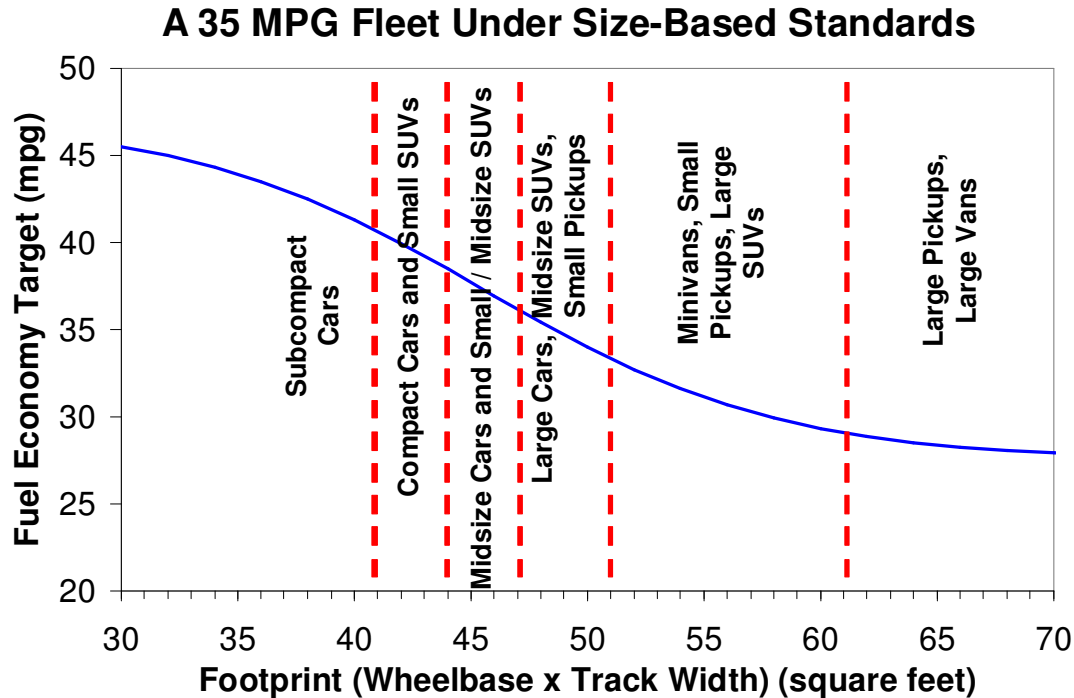
**NHTSA:** “Reformed CAFE will also provide a more equitable regulatory framework by creating a level-playing field for manufacturers, regardless of whether they are full-line or limited-line manufacturers.” *Light Truck Final Rule for MY 2008-2011*

**GM:** “The reformed system is therefore in and of itself more equitable among manufacturers, more efficient at achieving energy savings, and more protective of U.S. employment.” *Nov. 18, 2005 comments to NHTSA*

**Ford:** “In general, Ford is supportive of NHTSA's reform proposal. It is more equitable than the current system in that it accounts for product mix differences ....” *Nov. 22, 2005 comments to NHTSA*

**Alliance of Automobile Manufacturers:** “Specifically, we support the fact that the proposal takes into account size based product mix differences across the industry and adjusts automatically for changes in vehicle size mix in response to economic conditions and consumer preferences. Furthermore, it subjects manufacturers to the same set of targets for the same set of vehicles.” *Nov. 22, 2005 comments to NHTSA*

The chart below is an example of how a sized-based standard fulfilling the 35 mpg fleetwide requirement would treat different vehicle classes.



Under a fleet average of 35 mpg, pickups would only have to meet 28 mpg—they will NOT have to hit the fleetwide 35 mpg average. Instead, all vehicles will have to improve fuel economy, including mid-sized cars which would have to reach about 37 mpg.

With existing conventional technology, the National Academy of Sciences (NAS) showed that full-size pickups could reach at least 29.5 mpg, and that’s without considering hybrids or advanced diesels. UCS analysis shows that a pickup achieving 28 mpg would save its owners over \$6,000 on gasoline during the life of the vehicle. The pickup would have the same power, performance, size and safety it has today, and would cost an additional \$1,500. However, the added fuel economy technology would pay for itself in less than two years with gasoline at \$2.50 per gallon. Higher fuel economy standards will help farmers and small businesses who rely on trucks as much or even more than the average consumer.

**Any claims that the Senate proposal will disadvantage full-line manufacturers, or force automakers with truck fleets to dramatically improve their cars are false and misleading.**

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