



***DON'T BE FUELED!***  
mothers for clean and safe vehicles

**Auto industry/fuel efficiency update!**

**Fall 2009**

Dear Fans of Fuel Efficiency and [Don't Be Fueled!](#)



Automotive and fuel efficiency news has never been more exciting! After years of mostly incremental changes amid a tense stand-off between powerful interests, everything seems to be changing all at once. The changes are seismic - sudden and huge - and our landscape will not be the same when all the dust settles. Here are some highlights:

- The Obama administration, reversing eight years of foot-dragging by the Bush administration, used the rule-making power of the National Highway Transportation Safety Administration (NHTSA - "Nit-sa") to require a real increase in CAFE (corporate average fuel economy) standards - to 39 mpg for cars and 30 mpg for light trucks by 2016. This moved forward by four years the more leisurely mandate imposed by Congress in the 2007 Energy Bill.

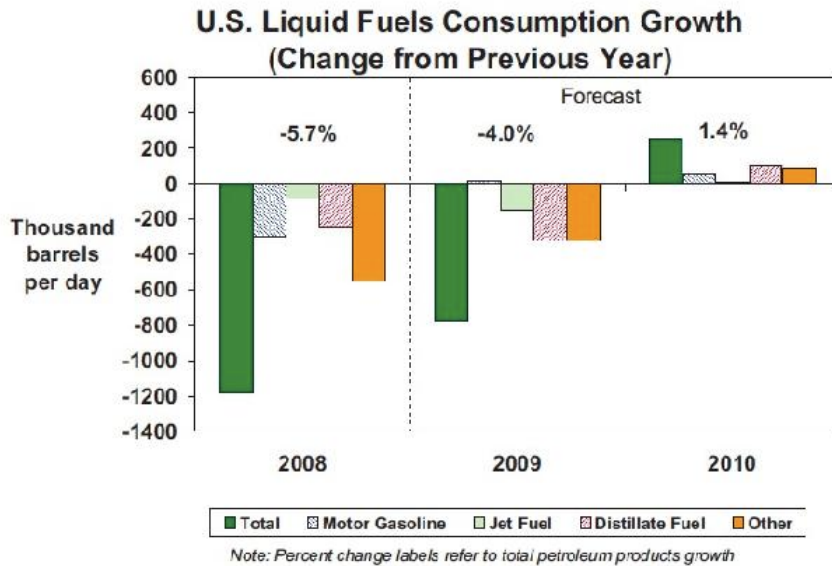
- General Motors, continuing its long slide toward insolvency, persuaded the Obama administration to "lend" it \$16 billion to stave off a bankruptcy filing, then filed for bankruptcy protection anyway. Another \$15 billion in federal funds to help parts suppliers and auto loan companies including GM's GMAC soon followed. One disturbing fact that is rarely discussed is that the bankruptcy filing enabled GM to escape liability for personal injuries and wrongful deaths caused by SUV and pickup truck rollovers and other product liability claims.
- Chrysler, long the weakest of the "big three," was cut loose by Daimler and privatized by the same hedge fund whose ownership spelled the end for Mervyn's last year, which then finagled a \$9 billion federal bailout before filing for bankruptcy protection. After bankruptcy, Chrysler was acquired by Fiat, the iconic Italian car maker known for small cars and shaky finances and Chrysler is now run by an Italian CEO, Sergio Marchionne.
- The Obama administration's EPA approved California's application for a waiver allowing it to regulate greenhouse-gas emissions from cars and trucks more stringently than the federal government's standards. The waiver application had become highly politicized in the Bush administration's EPA and had languished for months, despite pressure from Senator Barbara Boxer and environmental groups.
- Just as Toyota released the 50-mpg [2010 Prius](#), the Obama administration's hugely successful "Cash for Clunkers" program this summer took 700,000 gas guzzlers off the road, jump-starting the flat-lined automobile sales industry and putting as many fuel-efficient cars on the road. In addition to these concrete accomplishments, the program also got lots of people thinking and talking about the benefits of unloading "clunkers" in favor of fuel-efficient cars.

The top ten trade-in models according to the Cash-for-Clunkers program included the Prius at fourth place:

1. Toyota Corolla
2. Ford Focus FWD
3. Honda Civic
4. Toyota Prius
5. Toyota Camry
6. Hyundai Elantra
7. Ford Escape FWD
8. Dodge Caliber
9. Honda Fit
10. Chevrolet Cobalt

- The recession brought dramatic drops in miles driven (VMT = vehicle miles traveled): 10 billion fewer in 2007 than 2008 and an even bigger drop in 2009: the Federal Highway Administration showed that vehicle miles traveled (VMT) during the first three months of 2009 declined by about 11.7 billion miles. Big drops in fuel consumption and highway deaths went along with Americans' reduced travel. The

rate of highway deaths per 100 million VMT hit 1.12, the lowest on record. For more charts like the one below and the facts and figures that go with it, visit the [Energy Information Administration's website](#).



Short Term Energy Outlook, September 2009



- GM's Bob Lutz, the veteran auto-industry executive who used to personify the domestic auto industry's opposition to CAFE standards, is now the champion of the Chevrolet Volt, now projected to be the first plug-in hybrid made in America. Now that's progress!

### **Mothers' wise thoughts on where we are now:**

As you might imagine, we at [Don't Be Fueled!](#) have some thoughts about these momentous developments. While we see reason for optimism, we also see reason for caution. We're moms, so it's only natural for us to worry. [Here's what we worry about as we look ahead:](#)

**Complacency:** We would like to see Americans consuming a lot less gasoline and experiencing far fewer traffic deaths without 10% unemployment. We know this is possible, but it's going to take sustained attention by our political leaders to make this happen. Political leaders aren't noted for their attention to long-term problems,

so they need consumers/voters/citizens to insist on keeping the issue of fuel efficiency front and center.

The chart below from the May 19, 2009 Wall Street Journal ("U.S. Orders Stricter Fuel Goals For Autos" by Stephen Power and Christopher Conkey) says it all:



Notice how the graph line shoots up in the first few years of the CAFE program (1979 to 1981), then flattens and begins to decline. In the 1980's, American consumers assumed that fuel efficiency increases were automatic, so individual consumer choices didn't matter. This set the stage for the SUV boom that started in the early '90s.

In our view, we should now be at 40 MPG and billions of barrels of oil have been wasted because of the failed fuel efficiency policies of the '80s and '90s. We expect to start hearing now that there's nothing to worry about anymore. Wrong! Let's all work toward preventing a repeat of the CAFE story above.

**Heavily-funded, well-organized corporate pushback.** Not long after the new fuel efficiency standards were announced in May, Op/Ed pieces started showing up in newspapers all over the country asserting that fuel efficient cars are inherently unsafe and that the Obama administration does not care about safety. This is part of the reason why our campaign is for clean and safe vehicles. There does not need to be a trade-off between fuel efficiency and safety and the safety concerns about small vehicles are overblown. Just listen to the morning traffic reports and note the number of times a SUV or pick-up truck rollover accident is mentioned. These big, gas-guzzling vehicles aren't safer for all their extra weight and the danger they pose to others on the road. But it's hard for fuel-efficiency proponents to combat the well-funded chatter, nonsensical as it is, to the contrary.

**Bailouts.** We understand that it's hard for America's elected officials to say "no." But the price tag on the auto industry's bail-outs may approach \$100 billion for the first year alone. That's a lot of money, and we think the driving public should ask what it is getting for its money. When we opposed the bail-out, we got some angry e-mails from people who hope that Detroit can be incentivized to turn "green" by taking the government's money. We aren't convinced. GM is the company that brought us leaded gasoline and sent Los Angeles' extensive light rail system to the scrapyard, then fought all efforts to clean up gasoline, reduce air pollution and improve auto safety over the next half-century. This is not a green company. We also think that allowing auto companies to escape liability for the harm caused by dangerous vehicles is another kind of bailout that shifts all the cost onto accident victims and just plain terrible public policy.

What many consumers don't fully realize is that Detroit has no meaningful history of producing fuel-efficient cars. What about the various small cars it sells, mostly to meet CAFE requirements? They are almost all, and always have been, made in Asia by Asian companies and re-branded for the US market. For example, the Chevrolet Aveo is made in Korea by Daewoo. And GM's foray into electric cars, the EV1, ended up as a public relations disaster that may have been intended as little more than a distraction to fuel-efficiency proponents. Meanwhile, economic forces are driving Detroit wages closer to the wages earned at US plants owned by Toyota and Honda -- companies that know how to build and sell safe, fuel-efficient cars. See a good article on this in the October 2009 issue of Harper's Magazine ("End of the Road: After Detroit, the wreck of an American dream." By Ben Austen. Food for thought.

Remember to remind everyone you know whenever the subject of energy comes up: the cheapest, greenest new source of energy is increased fuel efficiency!

And last but not least, why not go to the movies the DBF way: see the two full-length documentaries in theaters this fall, all about oil: [Fuel](#) and [Crude!](#)

Wishing you a safe, fuel-efficient fall ~

The [Don't Be Fueled!](#) Team

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