

Life in the Slow Lane

*Tracking Decades of Automaker Roadblocks to
Fuel Economy*

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Union of Concerned Scientists
July 2003

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Tracking Decades of Automaker Roadblocks to Fuel Economy

When America's auto industry sells its motor vehicles, the world is a test track and a showroom. Acceleration is a virtue. Performance is a priority. Power is at a premium. And often sealing the deal is a sleek, showy style.

But when it comes to fuel economy, America's automakers possess only two gears: reverse and neutral. In 2001, U.S. fuel economy plummeted to its lowest point since 1980. Technologies to improve that dismal statistic languish on the shelf, ready to be implemented but still unused. Promises of new technologies that can significantly raise the fuel economy of conventional cars and trucks are slow-tracked by manufacturers.

The 2002–2003 tug-of-war between Detroit and those who advocate leaner, cleaner vehicles was the latest battle in a decades-old struggle over fuel economy. At issue over the past year were proposed increases to the Corporate Average Fuel Economy (CAFE) standards for cars and light trucks, which have stagnated since 1985. Most recently, the National Highway Traffic Safety Administration (NHTSA) chose to raise fuel economy standards for sport utility vehicles (SUVs), minivans, and pickup trucks a mere 1.5 mpg by 2007.

From the initial debate over the 1975 CAFE standards to NHTSA's modest fuel economy nudge in April 2003, virtually any public mention of fuel efficiency improvements has resulted in a vigorous lobbying campaign by the U.S. auto industry against such a move. The reasons offered have included: The industry would face ruin. Consumers would lose choice. Fuel economy creates safety risks for drivers.

These attacks on CAFE have been launched in the face of one indisputable fact: CAFE works. The standards imposed in the 1970s roughly doubled the fuel economy of cars within a decade, and increased truck fuel economy by about 50 percent. Furthermore, this leap was achieved without any of the automakers' dire predictions ever coming to pass.

Yet Detroit's campaign against CAFE continued apace, and it has worked. U.S. automakers won lengthy legislative and regulatory freezes and rollbacks of CAFE throughout the 1980s and 1990s. Economic blackmail and bogus safety scares have been the industry's main tactics, even when these tactics sometimes cost automakers their credibility. In 1974, for example,

auto executives told Congress that fuel economy standards would “outlaw” large engines and reduce all vehicles on the road to “subcompact size cars—or even smaller.”

A glance at highways in 2003, glutted with SUVs, makes such predictions look silly. But the 2002–2003 battle over CAFE seemed like *déjà vu*. True to form, the auto industry couched dire predictions of collective woe for the economy and vehicle safety with a strong admonition to “go slow” on new regulation. The best current research, however, demonstrates that Detroit should be racing toward substantially higher fuel economy averages—and can accomplish this task without compromising safety.

The U.S. auto industry remains stuck in a CAFE pit stop that has lasted for more than two decades. The meager upward adjustment in CAFE standards recently mandated by NHTSA proved once again that the industry’s arguments—proven wrong on all counts over and over again—still carry tremendous clout. Loopholes for light trucks and SUVs that have steadily eroded or undermined the baseline for CAFE standards remain largely in place. In the short term (and perhaps even longer), prospects for fuel economy improvements remain dismal without a government-imposed standard that commits automakers to upping the pace at which existing technologies capable of substantially boosting fuel economy are implemented.

The irony of Detroit’s anti-CAFE campaign is that automakers do recognize the value of higher fuel economy. They continue to pledge that they will raise these standards voluntarily (while delegating CAFE bashing to their hired guns at trade associations), but history does not bear them out on this point. Improvements in fuel economy have only arrived when Americans lay down challenges via their government and elected officials.

Josephine Cooper is president of the Alliance of Automobile Manufacturers, an auto industry trade group that represents the Big Three and major foreign automakers (with the notable exception of Honda). She did not equivocate when addressing the modest CAFE hikes being considered by NHTSA in 2002 and 2003: “This proposal threatens jobs, the economy and family vehicles such as SUVs and minivans, and it represents a ban on light trucks.” (1)

What was so threatening about the CAFE proposals under consideration by NHTSA? The 20.7 mpg CAFE requirement for light trucks had been in place since the mid-1990s, and the standard had been raised only 0.2 mpg from the original 1975 goals.

A 2002 report by the National Academy of Sciences (NAS) observed that technologies available to automakers could justify a substantial increase in light truck CAFE standards. Though the NAS report did not make a specific recommendation, it found that existing technologies could add as much as 12–14 mpg to cars and 11–13 mpg to trucks. (2)

This white paper will examine Detroit’s poor track record of assessing its ability to achieve fuel economy levels that could make America’s motor vehicles cleaner, safer, and more efficient.

The 1970s: The Early Days of Industry Nay-Saying

The Big Three have a long history of railing against virtually any safety or pollution enhancements that Washington has attempted to place on their vehicles, from seat belts and turn signals to collapsible steering wheels and air bags. In 1966, Henry Ford II famously argued that implementation of federal safety requirements for automobiles (including lap and shoulder seat belts) would force his eponymous company to “close down.” (3)

The auto industry has, however, paid lip service to fuel economy from time to time. Back in the early 1970s, for instance, before energy crises forced Congress to take action on fuel economy, the industry actually trumpeted its commitment to fuel efficiency. There was a catch, of course: It wanted a break on emissions regulations. Here’s how a 1973 Chrysler advertisement promised easy and immediate gains in fuel efficiency: “You’re entitled to know! By relaxing emission controls right now, we can start saving 5 billion gallons of gas right now! Right now!” (4)

The ad drew fire from the U.S. Environmental Protection Agency (EPA), which labeled it “false and misleading” and called for a Federal Trade Commission investigation.

Detroit’s goodwill toward fuel economy changed in 1974. Oil prices shocked Americans into a new awareness of the cost of energy—and the gas-guzzling ways of their automobiles. Out of this shock rose the political will to create CAFE, and prompted protests from the auto industry that echoed Henry Ford’s doomsday predictions.

A Ford executive argued to legislators that year that if CAFE became law, the move could possibly “...result in a Ford product line consisting either of all sub-Pinto-sized vehicles or some mix of vehicles ranging from sub-sub-compact to perhaps a Maverick.” (5)

Put simply, the argument was that the industry did not have the technology to increase fuel efficiency (or could not marry it to its current product lines quickly and without great expense). This specious claim of technological “can’t do” persists in 2003.

Other automakers resorted to the shrinkage and extinction argument throughout the 1970s. General Motors (GM) President E.M. Estes, for one, argued in 1975 that CAFE standards would bring about a world in which “...absent a significant technological breakthrough...the largest car the industry will be selling in any volume at all will probably be smaller, lighter and less powerful than today’s compact Chevy Nova.” (6)

Chrysler Vice President of Engineering Alan Loofburrow gazed into his crystal ball before a U.S. Senate subcommittee in 1974 and saw an even blacker picture. Fuel economy standards, Loofburrow predicted, might “...outlaw a number of engine lines and car models including most full-size sedans and station wagons. It would restrict the industry to producing subcompact size cars—or even smaller ones—within five years.” (7)

A glimpse of a street during rush hour reveals just how these sage predictions have fared in reality. America’s highways are overflowing with gas-guzzling SUVs and minivans that account for more than 50 percent of

the new vehicles sold today, and whose exemption from stricter CAFE standards for cars has set overall fuel economy figures plummeting.

The 1980s: Defections and Deflections in the CAFE Fight

By 1985, U.S. automakers were supposed to have reached the target of 27.5 mpg written into the initial CAFE legislation. Both GM and Ford, however, were falling short of the target that year—and did not see prospects of hitting it in the near future. So, the two carmakers applied to NHTSA for a rollback of the CAFE standards.

Among those most outraged by GM and Ford's move was Chrysler, which was actually meeting the CAFE standards. Chrysler President Harold R. Sperlich told a U.S. House subcommittee in September 1985 that "Chrysler will meet the standard because, even when we were going broke a few years back, we invested heavily in a corporate strategy geared to satisfying the market while meeting the fuel-economy law. Our compliance with the Corporate Average Fuel Economy (CAFE) standard is proof that the 27.5 mpg standard is technologically feasible and that other manufacturers could have met the law as well." (8)

Sperlich added that his company had invested \$5 billion in meeting CAFE standards, then ascribed a simple motive to GM and Ford's foot-dragging: "...[It is] not about saving jobs or saving factories. It's about maximizing profits, pure and simple. Those who want the standard dialed back have forgone the investments necessary to move their CAFE to the statutory level of 27.5 mpg; now they want an administrative ruling to forgo paying the fines that Congress intended as the penalty for noncompliance.... [It is] unfair that GM, Ford, and several low-volume luxury importers are flunking the standard, and Chrysler is paying the penalty." (9)

Chrysler continued to pile on the pressure. Vice President for Product Development John D. Withrow told NHTSA that same year that fuel economy wasn't ruining his company, "Chrysler has never been more profitable than it is today, yet we're meeting the CAFE standard as well. And if Chrysler can do it, I frankly don't see how NHTSA could conclude that meeting the 27.5 mpg standard is not also well within the capability of the world's two largest automobile manufacturers." (10)

GM and Ford eventually won their rollback in 1986, and Chrysler Chairman Lee Iacocca angrily noted, "I'm a little more than unhappy about it. We spent millions to meet the law when we were hanging on by our fingers. It's damn stupid to be penalized for obeying the law. It's a shot in the head.... GM and Ford said if they couldn't sell big cars in order to meet CAFE they would have to shut their plants and lay off people. Would GM shut a plant because instead of making \$5,000 profit on a car they had to pay a CAFE fine and only make \$4,500? That's mad; that's crazy." (11)

In a separate interview on Chrysler's defeat on rollbacks, Iacocca put it even more strongly: "We are about to put up a tombstone—'Here lies America's energy policy.'" (12)

Iacocca even took out ads that equated a CAFE rollback with a danger to national security, arguing that, “dialing back fuel standards on cars will set up the American people to be energy hostages again and again.” (13)

Automakers in the 1980s also began the widespread use of the most powerful card they held in their hands: the issue of jobs. Whenever CAFE is mentioned, automakers often assess its effects in terms of employment, and in their view, the results are always overwhelmingly negative.

In the summer of 1985, for example, word leaked out that Ford was threatening the Reagan administration with the loss of American jobs unless CAFE relief was granted. The *Chicago Tribune* reported in August that Ford was considering moving the production of some of its bigger cars abroad to take advantage of a loophole that excluded “imports” from CAFE standards. The move would cost American workers “hundreds” of jobs, but Ford Vice President Louis Ross told the newspaper that lower labor costs were not behind the move. Claiming that his company needed multiple years of relief from the CAFE standards, Ross argued, “I would not [shift production abroad] except for the CAFE law.” (14)

NHTSA did roll back the standard for model year 1986 cars from 27.5 mpg to 26 mpg, but Detroit continued to argue for more “relief.” Jeffrey Conley, executive director of the auto industry’s lobbying group, AutoChoice, applauded the one-year rollback, but told the *Washington Post* that the NHTSA decision was not an occasion to “breathe a sigh of relief.” He complained that “[t]he same kind of adjustment is necessary for future years to avoid economic hardship to the domestic auto industry. One year of relief is not enough.” (15)

The auto industry got its multiple years of relief when NHTSA rolled back the CAFE standard to 26 mpg for model years 1987, 1988, and 1989. When the subject once again reared its head in 1989, jobs found their way back into the anti-fuel economy mix. U.S. Secretary of Transportation Samuel Skinner announced in May 1989 that the four years of CAFE relief were over and reinstated the original 27.5 mpg target.

The industry response was immediate. Outspoken GM Chairman Roger Smith told reporters after the company’s annual meeting, “[W]ith the CAFE running on up, we could close some plants. There’s no question about it.” (16)

It didn’t take long for Ford to chime in as well. According to the *Washington Post*, “Ford said its only other options were to discontinue or restrict production of the two cars, either of which would cause a greater job loss in the United States, where the parts are now made, and in Canada, where the cars are actually assembled. ‘If we don’t supply those cars, somebody else would supply them; and if we restricted their production, we would be facing the same issue of losing sales because of a lack of product to meet buyer demand,’ said David Kulp, Ford’s manager of fuel economy and compliance.” (17)

The industry has also argued that the costs associated with CAFE take away from efforts to achieve a major breakthrough on fuel economy. When GM was faced with fines in 1985 for failing to meet CAFE standards, a company spokesperson claimed that “[i]f we have to pay fines, it will be with the capital that we need to develop more fuel efficient cars.” (18)

Four years later, when the rollback of the late 1980s finally ended, Ford Vice President Helen O. Petruskas broadened the argument against CAFE considerably, telling a U.S. Senate subcommittee, "...[H]igher CAFE standards will divert industry resources from work on other national goals." (19)

The 1990s: Lobbying Keeps Standards Frozen

After years of "relief" from fuel economy standards, the CAFE standard sat at 27.7 mpg in 1990—a goal that had originally been envisioned for 1985. Nevada Senator Richard Bryan then launched an effort to improve this long-stagnant bar for the auto industry, and as if on cue, the vehicular extinction issue returned. Ford Chairman Harold Poling predicted in 1991 that a boost in CAFE standards would mean that "You would see large cars pretty much go away. You might see a few Taurus and Sable sizes, but not many." (20)

Prognostications of the end of large cars gave birth to another argument against fuel economy standards, one which the auto industry has thrust into virtually every debate over CAFE: reduced safety. The automakers claim fuel economy standards will force them to build smaller, lighter cars that will fare poorly in accidents.

The correlation between fuel economy and safety is complex. Many argue that a car's design and size are the critical factors in determining safety, not its weight (as the auto industry often claims). The widely publicized safety problems with SUVs, which have a propensity to roll over, seem to give credence to the importance of design in determining vehicle safety. Current NHTSA Administrator Dr. Jeffrey Runge even cited the SUV safety issue. The former emergency-room doctor said that he wouldn't let his children drive any SUV with a high propensity to roll over, even "if it was the last one on Earth." (21)

Nevertheless, the auto industry has stuck with the message that lighter vehicles are less safe, and attempted to drive it home with appeals to consumers' emotions.

The *Washington Post* described one television commercial that aired during the 1991 congressional deliberations on a proposed CAFE hike: "The television advertisement shows a huge car smashing a tiny one to smithereens. After the collision, the voice-over says: 'While smaller cars can save gas, they could cost you something far more precious.' Made by lobbyists for the U.S. auto industry, the nationally broadcast television spot is designed to combat a proposed law to make cars more fuel efficient." (22)

Industry scaremongers proved as lurid with their words as they were with their images. Sam Kazman of the Competitive Enterprise Institute—a group with financial ties to the auto industry—has been among the most vocal purveyors of the CAFE/safety correlation. During a 1991 appearance on CNN's *Crossfire*, Kazman said that "CAFE is the real blood-for-oil policy—it will spill blood on the highways of this country." (23)

What the auto industry's dramatic hyperbole fails to address is that the relationship between fuel economy, vehicle downsizing, and crash fatalities is by no means clear. Two of the scientists involved in a recent NAS study on fuel economy, David A. Green and Maryann Keller, offered a strong public

dissent to the weight/fatality connection: “The relationship between fuel economy and highway safety is complex, ambiguous, poorly understood, and not measurable by any known means at the present time.” (24)

Subsequent studies, including a January 2003 report by Dynamic Research Institute, cast further doubt on the science behind this correlation.

Many factors make up the set of risks for drivers and pedestrians on America’s roads. Detroit’s insistence that CAFE standards make the cars on U.S. roads less safe is clearly flawed. Vehicular safety can be addressed independently of fuel economy requirements. A number of inexpensive safety designs and technologies have yet to be broadly implemented across the U.S. auto fleet. In fact, the auto industry has long resisted putting these safety measures to use. They include:

- Effective safety belt-use inducements. Some estimates place the number of American traffic accident fatalities that could be averted through effective belt-use inducements at 6,000 to 10,000 per year.
- Stronger roofs for rollover protection. About 2,000 belted vehicle occupants die annually, mostly due to roof crush. The rollover/weak-roof problem is most common with SUVs.
- Improved safety belt design, including belt pre-tensioners that would be triggered during vehicle rollover and frontal or side crashes. Estimates of the number of lives that could be saved by an effective rollover protection system—a strong roof, belt pre-tensioners, interior padding required by a new federal standard, and window curtain air bags—range from 3,000 to 5,000 per year.
- Smart cruise controls, yaw control systems, nonpulsing antilock brakes, and drowsy driver warnings. (25)

Until the Big Three install these and other simple safety measures, arguments about the safety impact of fuel economy will remain disingenuous. Disingenuous but effective—the auto industry’s scare tactics and perennial job threat claims successfully thwarted the fuel economy bill introduced by Senators Richard Bryan and Slade Gorton in 1990. This bill, which called for a 40 percent increase in CAFE standards, would have resulted in a 40 mpg average for today’s cars and a 29 mpg average for light trucks. Its defeat marked the beginning of another dark decade for fuel economy improvements.

During the 1996 fiscal year, the U.S. House inserted a rider in the Department of Transportation (DOT) appropriations bill that froze CAFE standards at their current levels and prevented the DOT from even studying the need for and technological feasibility of new standards. A head-in-the-sand approach to fuel economy was now not only the de facto reality, but an express policy of the U.S. government. This freeze rider on the DOT funding bill lasted until 2001.

Today: New Millennium, Same Old Arguments

If you interviewed auto industry executives about fuel economy today, you might never know that America's fuel efficiency has dropped to its lowest level in more than two decades. The public image presented to consumers and legislators is of an industry pulling out all the stops to make its products more fuel-efficient.

In May 2002, for example, the Alliance of Automobile Manufacturers trumpeted the role its member companies have played in raising fuel economy: "The Alliance of Automobile Manufacturers are taking a proactive leadership role in researching and developing advanced fuel economy technologies for passenger cars and light trucks." (26)

Such general industry statements have been backed up by the public fuel economy pledges of individual automakers such as Ford, which pledged in July 2000 to boost the fuel economy of its light trucks 25 percent by 2005. In a speech to the National Press Club, Ford President and CEO Jacques Nasser said, "We fundamentally believe this is what customers want." (27)

Ford's pledge was met with rave reviews, even among Detroit's skeptics. DaimlerChrysler and GM hopped on the bandwagon and vowed to best Ford's performance.

Yet this same pledge was used by automakers to make a parallel argument: The time had come to scrap mandated fuel economy standards such as CAFE. With corporate commitments to fuel efficiency, Detroit and its advocates argued, future improvements could be safely left in the hands of the automakers. Ford's Nasser deftly made his case to the National Press Club: "What we just announced, we think, is a good example of why CAFE is arbitrary and doesn't make sense. You're better off letting the competitive forces in technology address the issue of improved fuel economy." (28)

When NHTSA announced in 2002 that it was considering an increase in CAFE standards for the first time in seven years, the automakers exchanged their bold pledges for the same litany of complaints they had been reciting about CAFE since 1975: Can't do it. Can't do it if you want clean air. Can't do it if you want safe vehicles. And perhaps most vociferously: Can't do it because consumers won't let us do it.

It's certainly true that a lot of consumers are buying gas-guzzling vehicles. More than 50 percent of new vehicles currently being purchased by Americans are light trucks: SUVs, minivans, and pickups. But anyone who has witnessed the ubiquitous advertising for these vehicles or understands the substantial profit margins manufacturers record on these vehicles can see that the auto industry has a vested interest in their continued success. Thus, Detroit persists in blaming the consumer for its inability to meet fuel economy goals.

This blame-the-consumer argument misses the point completely. Research conducted by the NAS and the Union of Concerned Scientists has shown that existing technology could make SUVs and other light trucks far more fuel-efficient than they currently are.

But that doesn't stop the auto industry from claiming to be helpless in the face of market forces. Eron Shosteck of the Alliance of Automobile Manufacturers attempted to absolve the Big Three of their guilt on fuel economy in a recent issue of *Time*: "...[Shosteck] says his members offer

more than 30 passenger vehicles that get at least 30 m.p.g. (compared with, say, the Range Rover, which gets 14). ‘But very few people buy them,’ Shosteck says of the fuel-efficient cars. ‘Gas is cheaper than bottled water. There is no incentive for people to use less.’’’ (29)

This logic leads automakers to conclude that what the United States needs is a gasoline consumption tax that essentially punishes consumers. In a recent interview with *Automotive News*, GM Vice President Robert Lutz put it bluntly: “If we’re really serious about fuel economy and cleaner emissions, the only way we’re going to get there is to use the tax mechanism to curb demand. If your kids are eating too much candy, you take their allowance away. If you want people to eat less, you raise the price of food. Instead, what the government is trying to do with CAFE is fight national obesity by making the clothing industry manufacture only small sizes.” (30)

GM Vice President Andrew Card (now the White House chief of staff) echoed this sentiment a year earlier in an interview with the *Washington Post*: “‘We have the Chevy Metro and no one is buying it,’ said Card, referring to one of GM’s most efficient small cars that gets 48 miles to the gallon.” (31)

A month after Card’s pronouncement, the American International Automobile Dealers Association (AIADA) used the blame-the-consumer argument to resuscitate the specter of large-vehicle extinction: “‘Some of the most popular and versatile vehicles on the road today also are among the least fuel efficient. If Congress mandates an increase in fuel economy, certain models of pickups, minivans and sport-utility vehicles could potentially be eliminated from the market,’ said AIADA President Walter E. Huizenga. ‘Customers who want and need these products would be deprived of the choice of owning them.’’’ (32)

The auto industry would have us believe that consumer choice and fuel economy are mutually exclusive, but this is not the case. Americans can have both. The technology is available right now to marry power and fuel efficiency, but Detroit would rather maintain the status quo.

Automakers even returned to the threat of job losses during the most recent debates over increases in fuel economy standards. Ford’s boldness in tackling fuel economy in July 2000 seemed a distant memory in 2002, replaced by the shrill foreboding of COO Nick Scheele: “CAFE is an appalling piece of legislation. Hundreds of thousands of jobs are contingent on this [proposal] and I find that distressing.” (33)

GM went so far as to name the plants that might be affected by CAFE hikes. Vice President Dennis Minano told the *Dallas Morning News* in May 2000, “CAFE is the only law I’m aware of that would have the manufacturer decide what sort of vehicles the customer can have. We might have to get on the phone to [Arlington plant manager] Mike Quinton and say, ‘Mike, we can’t build as many trucks there as we thought.’’’ (34)

That same day, GM spokesman William Noack piled on the jobs pressure, telling the *Baltimore Sun* that a CAFE increase “...jeopardizes our truck business. It jeopardizes our business in Baltimore; in Janesville, Wis.; Wentzville, Mo.” (35)

The auto industry’s friends in Congress also beat the drum for CAFE as a job killer in 2000. Senator Spencer Abraham (the current U.S. secretary of

energy) said, “Thousands of hard-working men and women are employed in the auto industry. Increasing the fuel economy standards will directly impact these dedicated workers that depend on auto jobs for their livelihood and I strongly oppose it.” (36)

Congress failed to pass a CAFE increase in 2000, and when new CAFE bills arrived in 2001, the jobs issue came roaring back. GM Executive Director of Safety Integration Robert C. Lange argued, “We view some of the [fuel-economy] laws in Congress as real threats to GM’s franchise. We would either have to cut production at those plants or downsize our entire fleet of vehicles.” (37)

Another GM official dared to quote specific numbers in the *Wisconsin State Journal*: “Across GM, 38,000 jobs could be lost, including 3,500 in Janesville, said Guy Briggs, vice president of vehicle manufacturing for the Detroit company. Another 110,000 jobs could be cut among companies that supply General Motors with parts for SUVs, if the Corporate Average Fuel Economy standards are increased, he said. ‘We strongly oppose an increase in CAFE standards,’ Briggs said. ‘This would be devastating to us,’ Briggs said. ‘We’d have to cease production on over half our light trucks.’” (38)

The reality is that CAFE would most likely create jobs rather than eliminate them. The Union of Concerned Scientists argued in comments to NHTSA that achieving a fuel economy standard of 40 mpg by 2012 would create 182,700 new jobs—with 41,000 in the automotive sector alone. (39)

Moreover, as traditional U.S. manufacturing sectors such as steel and coal struggled during the last three decades, jobs in the auto industry increased by 25 percent.

The Future: Progress or More Stonewalling?

Research by the NAS and others shows that automakers have the potential to improve the fuel economy of cars and light trucks substantially. The Union of Concerned Scientists, for example, found that light truck CAFE increases to 22 mpg in 2005, 27.5 mpg in 2008 (the present standard for cars), and 30 to 33 mpg in 2010 are both feasible and technologically achievable. (40)

Nevertheless, NHTSA chose much more modest hikes in CAFE standards for light trucks: a grand total of 1.5 mpg in improvements by 2007 (for an average target fuel economy of 22.2 mpg). Several Japanese automakers already exceed both the current CAFE standards and the new 2005 standard for light trucks, but U.S. automakers’ reactions to NHTSA’s April 2003 decision were uniformly pessimistic.

In separate interviews with *Automotive News*, both Alliance of Automobile Manufacturers spokesman Eron Shosteck and Chrysler group COO Wolfgang Bernhard described what was in store for the American auto industry as a “struggle.” (41)

And the bad news for fuel economy kept coming. Less than two weeks after NHTSA’s announcement, Ford officially backed off its pledge to improve the fuel economy of its light trucks, blaming its failure on technological woes and a lack of incentives. As one Ford executive hedged in *The New York Times*, “Are we still trying to get there? Absolutely. Will we get there by that deadline? It’s unclear.” (42)

Detroit's credibility gap on fuel economy is nothing new. In the 28 years since Congress adopted CAFE standards, the auto industry has repeated the same core arguments against tighter standards—arguments that do not stand up to scrutiny. The industry's record of predicting the effects of CAFE on the job market, consumer choice, technological potential, and safety has been dismal. To hear Detroit tell it, CAFE is the reason the sky is falling on the auto industry.

Yet the historical record not only provides a valuable corrective note but also a blueprint for the future. Turn back the page 10 or 20 years, and you can clearly see that significant gains in fuel economy were achieved only when America's elected officials laid down a legally binding challenge to the industry.

After the initial challenge of the 1970s compelled Detroit to make progress on fuel economy, automakers have relied on evasions, exemptions, and extensions to freeze progress and roll back standards. It is not the sky that is falling today, but fuel economy levels and auto industry credibility.

The best research available demonstrates that Americans can have greater fuel efficiency right now. It also argues that great leaps can be made in the future. These advances can be accomplished without increasing risks to motorists, raising prices at the pump, or sacrificing jobs; in fact, a few simple technological fixes could actually result in substantial job gains.

Given this tremendous upside, it's hard to understand how a DaimlerChrysler spokesperson could react to a possible attempt to raise fleet averages a mere 0.1 mpg by saying, "I don't see anyone dancing in the hallways here." (43)

Stronger CAFE standards are the only way to stop automakers from dancing around the issue of fuel economy and set them on the path to making significant improvements. But first, America's consumers and elected officials will have to navigate past the roadblocks the auto industry has been placing on that path for decades.

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