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June 1, 2009 6:10 PM

How Green Can The New GM Really Be?

Posted by [Stephanie Condon](#) | [16](#)

President Obama **announced** today that his Auto Task Force helped General Motors produce a plan for the company to "move toward profitability" and "start building a larger share of its cars here at home, including fuel-efficient cars."

To many observing the government's control over the auto maker, however, those goals do not necessarily align.

"GM wants to make money, but making green vehicles is a totally different object," said Dan Ikenson, associate director of the Center for Trade Policy Studies at the Cato Institute, a free market think tank. "The government has to decide -- do we want it to be a profit maximizing business, or a tool of policy?"

President Obama has made the promotion of a "green" economy one of his top policy priorities, and Congress is facilitating his agenda with a plan to put a price on carbon. The government's majority share in GM presents an opportunity, some say, for the administration to help an ailing industry while pushing green initiatives. For others, however, the government's obligation to see major car manufacturers through this economic storm means taking a more measured approach to "greening" the auto industry.

"There's two elements to rescuing the American auto industry," said Daniel J. Weiss, director of climate strategy at the liberal Center for American Progress. "There's the short term effort to keep them from drowning, then there's the long term effort of building a boat to get them to where they want to go."

The car industry is "already committed to doing what they can to be part of the green energy economy," said Charles Territo, senior director of communications for Alliance of Automobile Manufacturers.

However, he added, "It is important that the goals of energy security and reducing emissions not fall solely on the back of manufacturers. Alternative fuel infrastructure and consumer acceptance of new technologies are also part of the equation. An auto maker can have the most fuel efficient fleet in the industry, but if those aren't the types of vehicles consumers demand, they will struggle."

There are some ways the government should interfere in GM's business, Weiss said, such as insisting on the continued development of the Chevy Volt, the company's much-anticipated plug-in hybrid vehicle. GM has said the car remains on track for a 2010 launch, **according to** Reuters. One of President Obama's priorities is to get one million hybrids on the road by 2015.

"It's important the federal government as the new overseers (of GM) keep that car on track," Weiss said. U.S. auto companies "have to be able to compete with China, Japan, Korea, and Germany, who are building the super-efficient cars of the future."

Territo said it was clear two weeks ago, when the White House **introduced** new national fuel economy standards, that the industry had set its sights on increasing fuel efficiency. Ten auto executives stood by the president's side as he announced the new standard. But it will still be difficult for American companies to meet the new standards, he said.

"Currently we have a policy that promotes cheap gasoline, but that also requires manufacturers build fuel efficient autos," Territo said. "If gasoline prices remain relatively low, it's going to be very challenging for manufacturers to offer the types of vehicles consumers demand and still meet the aggressive fuel economy and greenhouse gas standards set by the federal government."

Sales for the first third of this year of fuel-efficient hybrid vehicles are down roughly 40 percent from last year, Territo said, slightly higher than the 37 percent decline in sales overall.

The sales of individual models are down significantly, he said, with sales of the Prius down 50 percent in the calendar year so far.

Weiss said it is "extremely short-sighted" to point to low oil prices as a challenge facing fuel-efficient cars.

"No one believes oil prices will stay at this level," he said. "They're not whistling past the graveyard -- they are singing past the graveyard if they think oil prices are going to remain this low after the recovery."

Furthermore, said Daniel Becker, director of the Safe Climate Campaign, consumers will welcome more fuel-efficient cars.

"Making gas-guzzlers that pollute the atmosphere, cost us too much at the gas pump, and don't sell very well really isn't very good for the United States," he said. "Toyota and Honda lost money (in the recession), but they're still healthy companies because they're making efficient vehicles Americans want to buy. They weren't as wedded to the gas-guzzling economy as the U.S. three were."

The fact that the Obama administration was able to institute higher fuel economy standards may indicate the government may be able and willing to exert its newfound influence over car makers.

"Would he have been able to do it if the auto industry had both hands free instead of one shaking a tin cup? Maybe not," said Becker. "There are a lot of factors that went into it."

Still, Weiss said, the industry got its biggest request from the government: a uniform, national standard for fuel efficiency.

"The policy the Big Three were seeking was delivered to them by the Obama administration," he said.

General Motors Bankruptcy

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"go green baby! thankfully we finally have a prez who looks toward the future."

I love it how the sheep still believe in this phony science..keep drinking the kool-aid...until you are led to slaughter, that is

Posted by **BarrySoetoro** at 10:04 AM : Jun 2, 2009
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what would Obama know about a auto task force, just look at the picks he put on his administration. 5 tax crooks, and the ole Clintstone gang that never did anything but leave with a recession.

Posted by **specialty8** at 9:18 AM : Jun 2, 2009
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To ask the question is to answer it. GM is now Green Motors.

Posted by **Jim1900** at 9:07 AM : Jun 2, 2009
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Overpaid Union Employees + Shoddy Workmanship+ Poor Management = Bankrupt carmaker.

And, by the way, I don't need Consumer Reports, or JD to tell me that GM is inferior. Personal experience speaks volumes.

I'm Wilbur, and I approved this message.

Posted by wilbursandersjr

worth repeating

Posted by **mjvwsr** at 8:34 AM : Jun 2, 2009

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Buy your V8's now. After Obama is done you wont be able to get ANY. Those CAFE standards will result in TWO types of cars...large trucks used for work and tiny, lightweight, loud, smart cars that no one will want to buy.

Mid size cars will be gone...how else with they comply with 39.5 cafe standards?

Posted by **vinnyb5** at 8:30 AM : Jun 2, 2009

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How can ANY industrial / consumer endeavor be green? Want green?? Buy less stuff, and walk instead of drive where possible.

Posted by **djberson** at 6:31 AM : Jun 2, 2009

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go green baby! thankfully we finally have a prez who looks toward the future.

Posted by **pistolpeteg** at 6:28 AM : Jun 2, 2009

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I don't care about any car manufacturer's green trend. If the product is too small, uncomfortable and too pricey, conserving gas aside, I won't be buying it.

Posted by **credibility2** at 6:19 AM : Jun 2, 2009

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If you like tin cans with a spring and wind up tab on the back, you're going to love Obama's new cars...

Good luck!

Those still promoting the global warming joke show how uneducated Americans really are...

Obama's green energy has already been debunked so many times...his 5 million green jobs are going to cost us 11 million jobs in energy now.

Posted by **IThoughtItWasFunny** at 6:16 AM : Jun 2, 2009

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Gas prices are NOT low they are lower than last year but \$2.50 a gallon is not low. For people who are hurting already through lost jobs, etc... that price is a fortune.

Posted by **dobinok1** at 4:12 AM : Jun 2, 2009

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