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Will new gas standards hold up at the pump?

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Christopher Thomas | Getty Images



In broad principal, the new national fuel economy standard is pure common sense. ... No longer will the EPA and the Department of Transportation be fighting over whose jurisdiction has primacy over CO2 emissions. States like California will no longer be able to threaten enacting a unique set of CO2 emissions standards that would become a de facto fuel economy standard. ...

But let's not sugarcoat it: This national fuel economy standard will cost us money. It will demand new, more complex, more efficient power trains — direct-injection turbocharged gas engines, diesels, hybrids, electric vehicles — and increased use of more costly lightweight materials. It will change the types of vehicles we buy.

Is that a bad thing? Only if you believe that we human beings are a dull, uninventive lot with the imagination of a goldfish. I remember the moaning and handwringing when emissions controls were first introduced in the 1970s. Many naysayers predicted it would be the end of the big horsepower performance car. Who would have thought that 30 years later the Chevy small block would be punching out 500-600 horsepower while emitting only a tiny fraction of the hydrocarbons of its ancestors?

Angus MacKenzie, editor-in-chief for Motor Trend magazine

And this brings us to the real problem — what's the incentive for consumers? This concern,

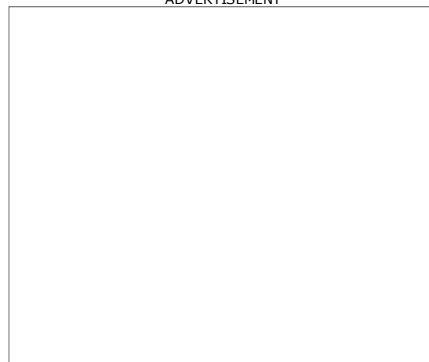
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voiced by the (auto) industry and others, is far harder to dismiss. Unless gas is over \$4 a gallon, or we pay consumers to buy greener cars, why will they buy these new vehicles?

I've wondered since the car bailout packages why we didn't just take that money and commit to buying greener vehicles. GM wants \$20 billion — okay, we'll put \$20,000 toward 1 million Chevy Volts as fast as you can make them. The government could buy them for government vehicles. (Imagine every FBI agent with a Volt — if the bad guys saw one, I guess they'd know an agent was coming, but then again, they wouldn't hear it coming).

Andrew Winston, environmental strategist writing on the Huffington Post

This onerous standard, which accelerates the already draconian 35-mpg-by-2020 goal adopted just two years ago (estimated cost: \$85 billion), comes at time when Detroit automakers are hemorrhaging red ink. A recent Global Insight study found that California's mandate would increase power train costs by \$1,000 for small cars and \$5,000 for larger vehicles.

... Currently, only three cars — all of them hybrids — get 35 mpg or better: the Toyota Prius, the Honda Civic and the Ford Fusion. That means that automakers must increase the fuel mileage of the entire auto fleet by 40 percent in one product cycle, a task that auto engineers say is impossible without European-sized gas taxes increasing gas prices to over \$6 a gallon and forcing Americans into small cars. ...

Henry Payne, writer and editorial cartoonist for the Detroit News, writing on Planet Gore, a blog on National Review Online

What seems clear is that the new standards will push development in three big areas: more efficient gasoline engines and smaller cars; a bigger potential market for hybrids and plug-in electric vehicles; and a new window of opportunity for diesel engines in the U.S. That may signal a coming tweaking of the tax code, as in Europe, to make diesel cheaper than gasoline.

Keith Johnson, lead writer for Environmental Capital, a Wall Street Journal blog

This is bad news for three reasons. New cars will be less safe. The proposed standards will require the average car and light truck to be 40 percent more fuel efficient by 2016. That's a very aggressive schedule. To meet it, automakers will have to deploy advanced technologies (such as hybrid engines), but that won't be enough. They'll also have to reduce average vehicle size and weight. That, in turn, will at a minimum make the average car less safe than it would otherwise be. ...

New cars will be more costly. ... As my colleague Sam Kazman comments, the federal fuel economy program "kills consumers by reducing vehicle size, and now it may well kill car companies by forcing them to produce cars that consumers don't want."

The (greenhouse gas) standards will start a regulatory chain reaction with potentially devastating economic impacts. ... A more potent anti-stimulus would be hard to imagine.

Marlo Lewis, senior fellow in environmental policy at the Competitive Enterprise Institute, writing on openmarkets.org

Today is a good day. At the Auto Alliance, an association representing major automakers, we're happy to hear the Obama administration's announcement of a national program to regulate greenhouse gas (GHG) emissions and fuel efficiency.

In fact, over the past two years we've been meeting and working with environmental leaders to find just this kind of smart measure that meets our shared goals. The auto industry has been ahead of the curve when it comes to rolling out new technologies and collaborating with policymakers to help tackle climate change. We already offer 130 models that get at least 30 mpg, and 35 hybrid or clean diesel models. But since these products take many years to design, build and test before we bring them to consumers, what you see now is what we began working on years ago.

The products we're already working on now go beyond solutions for gasoline, diesel and ethanol. Electric power is starting to arrive, and our researchers and technicians are looking into technologies that use no petroleum at all.

Dave McCurdy, former member of the House of Representatives from Oklahoma and president and CEO of the Alliance of Automobile Manufacturers, writing on grist.org

President Obama has won wild praise for brokering a compromise on fuel efficiency standards that pleased not only carmakers, but the tough regulators in California and the tough critics in the environmental community. (Even we called it miracle work.) And for good reason: The new fuel efficiency and carbon dioxide emissions standards are the first U.S. regulation of greenhouse gases, and they will boost fuel efficiency of American vehicles by some 40 percent by 2016.

But even then, when U.S. cars get an average of 35.5 mpg, the U.S. will lag behind Chinese efficiency standards today. And U.S. cars won't even approach the efficiency of European or Japanese cars today.

China today requires an average fuel efficiency of 35.8 mpg, according to the Center for Biological Diversity — which sounded a note of criticism amid the din of cheers, even as it applauded Obama's "important step forward."

In Japan, the efficiency standard is 42.6 mpg and in Europe the standard is yet higher: 43.3 mpg.

Dan Shapley, senior Web editor at the Daily Green

(Corporate Average Fuel Economy standards) affect only the cars we buy, not how much we

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drive them, and so CAFE standards are less cost-effective than gasoline prices at reducing gasoline consumption, because gas prices (whether reflecting market conditions or government taxes) affect both which cars we buy and our choices about driving. ...

Because CAFE standards increase the price of new cars, the standards have the unintentional effect of keeping older — dirtier and less fuel-efficient — cars on the road longer. This counterproductive effect is typical of any vintage-differentiated-regulation. ...

Also, by decreasing the cost per mile of driving, CAFE standards — like any energy-efficiency technology standard — exhibit a "rebound effect," namely, people have an incentive to drive more, not less, thereby lessening the anticipated reduction in gasoline usage. ...

The bottom line is that gasoline prices are a much more effective — and more cost-effective — means of cutting gasoline demand, both in the short term and the long term.

Robert N. Stavins, director of the Harvard Environmental Economics Program

Saying that holding on to your old car longer is counterproductive is exactly the kind of uber-consumerist attitude that's gotten us into our predicament in the first place. While it's true that your old car may have a lower fuel efficiency, the longer you drive it before buying a new one the more time you have to pay back the initial carbon cost of building that car in the first place.

In terms of total life cycle greenhouse gas emissions, buying less stuff and holding onto your old stuff longer is about the best thing you can do, even if it emits a bit more. The act of building something like a car involves an incredible amount of energy and materials shipped from all over the world — all of which equals a large amount of emissions that new car is responsible for even before you start driving it.

Sure, a car with lower tailpipe emissions will take a shorter amount of time to pay back those emissions costs, but if increased initial purchase costs mean people will buy fewer new cars then GREAT! That's exactly what we're looking for.

Nick Chambers, editor of Gas2.0

The debate over the standard reminds me of the debate after Congress gave the Environmental Protection Agency the authority to regulate air quality in 1970. One faction favored technical solutions to pollution, such as catalytic converters. The other faction argued for behavioral tools aimed at getting people to drive less.

Today, we know the behavioral solutions were a complete failure. Although many cities imposed urban-growth boundaries, built light rail, and implemented various disincentives to driving, not one can say they have reduced per-capita driving by even 1 percent.

On the other hand, the technical solutions were highly successful. Though we drive nearly three times as many miles as in 1970, total automotive air pollution has declined more than 50 percent.

There was a third faction in 1970 whose voice was almost inaudible: economists who argued that incentives would clean the air better than mandates. The mandates that were put in place only acted on new cars, and it took more than a decade (and now takes almost two decades) to turn over the American auto fleet. Properly designed incentives could have acted on all cars and cleaned the air much faster (by, for example, giving people a choice between retrofitting their cars or paying a pollution fee that was dedicated to cleaning up pollution elsewhere).

The lesson libertarians take from this is that incentives are better than mandates. But the point I like to make is that, though incentives might work better than mandates, technical solutions work far better than behavioral ones.

Randy O'Toole, senior fellow at the Cato Institute

President Obama announced tough new rules for automobile emissions and mileage standards last week. He supports a single national standard that will create a new car and light truck fleet more than 30 percent cleaner and more fuel-efficient by 2016 than it is today, with an average of 35.5 miles per gallon. The analysis quickly revved up. *It's a bold environmental move. ... Is he trying to wreck the economy? ... Hands off my muscle car!* What follows is a collection of those voices. — *Compiled by Times business editor Graham Brink*

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You failed to mention how poorly many of the cars ran when the new EPA regs of the 70's were introduced. Rough idle, stalling, and pitiful performance. This period only took 15 to 20 years to overcome, thus I for one will be slow to upgrade.

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