

GM, Chrysler don't get it

By **Dan Becker and James Gerstenzang**

FEBRUARY 18, 2009

After receiving billions of dollars in taxpayer-funded bailouts over the last few months, [General Motors](#) and Chrysler returned to Washington on Tuesday to shake their chrome-plated tin cups again.

In addition to begging for billions more in bailout funds, the automakers presented the [Treasury Department](#) with plans for how they will repay -- eventually -- their taxpayer-funded bailouts and get back on their feet.

But at a time when boldness is demanded, the plans lack innovation. They call for laying off more workers, cutting pay and benefits, and reducing the number of models that are manufactured. And GM even had the chutzpah to cut its projected fuel economy by 10% from what it promised in the survival plan it submitted to Congress in December.

What the automakers don't get is this: What's good for America is good for GM (and Chrysler), and not the other way around. With billions of dollars of taxpayer cash in their bank accounts and billions more coming, GM and Chrysler work for us now. And they have to start thinking about how to serve the country.

Americans need cars that go farther on a gallon of gasoline, pollute less and save money at the pump.

So what should the car companies do? They can start by making two changes in the way they operate: Stop wasting time and money fighting regulations that would reduce pollution that causes global warming, and abandon the sham of manufacturing supposedly green cars that can run on E85 ethanol, a blend of 15% gasoline and 85% ethanol.

California's "clean cars" law -- written by then-Assemblywoman Fran Pavley, passed in 2002 and later adopted in other states -- is the kind of law the country needs to push innovation and protect the planet. It requires a 30% reduction in global warming pollution from automobiles by 2015.

But automakers reacted to the law by launching an all-out attack on it. They successfully pressured the Bush administration not to grant an [Environmental Protection Agency](#) waiver necessary for states to enforce the law. And they filed lawsuits in California, Vermont and Rhode Island seeking to overturn it.

In Rhode Island and California, the cases were dismissed without trials. In Vermont, after a 16-day trial, a U.S. District Court judge ruled against the automakers. Meanwhile, President Obama has ordered the EPA to

reevaluate the waiver request.

So have the auto companies gotten to work making less-polluting cars? No. Instead, they have appealed the Vermont decision.

It was bad enough when automakers teamed up with dealers to fight laws that benefited the country. But now that the companies have bailout money from the taxpayers, their pursuit of legal and political challenges is abhorrent.

The other pointless exercise GM and Chrysler have pursued involves a loophole in federal fuel-efficiency standards.

GM and Chrysler make millions of vehicles that can run on E85 ethanol. Because ethanol is generally made from corn, the cars are advertised as using far less in the way of fossil fuels. In exchange for manufacturing the vehicles, auto manufacturers reap pollution credits that allow them to make more gas guzzlers than environmental laws would otherwise permit.

The problem is that the cars and trucks rarely use E85 ethanol, because they can also run on pure gasoline and the ethanol mix is difficult to find. Of 176,000 gas stations in the United States, fewer than 1% sell E85.

In truth, most ethanol-capable vehicles end up running on gasoline alone. Nonetheless, GM, Chrysler and others take the credits they get from manufacturing the vehicles and use them to meet their mileage requirements, and thereby avoid having to make more-efficient vehicles.

GM and Chrysler should forgo these credits and meet the law without them.

Automakers boast that they have improved the energy efficiency of their cars. But most of these gains have gone to making cars bigger and faster rather than less-polluting and cheaper to run.

According to a recent study presented to the Society of Automotive Engineers, if all the efficiency improvements developed since 1988 had been directed at getting more miles per gallon, cars would now average 45 mpg instead of 30.3 mpg.

Congress should require that in exchange for any new bailout, automakers raise their average fuel economy to 42 mpg by 2020, rather than the 35-mpg standard now set as a minimum for that year.

Detroit's survival depends on a change in mind-set.

Dan Becker is director of the Safe Climate Campaign. James Gerstenzang covered Washington for the Los Angeles Times for 24 years.

This article is related to: [Crime, Law and Justice](#), [Vehicles](#), [Environmental Issues](#), [Federal Bailout Funds](#), [Automotive Equipment](#), [Justice System](#), [Ethanol](#)