Op-Ed

For Detroit, size matters

Will automakers latch on to loopholes and undercut new emissions rules?

November 23, 2011 | By Dan Becker and James Gerstenzang

Launching its biggest environmental accomplishment, the Obama administration has proposed rules that would determine how far 2025 cars go on a gallon of gas and how much global warming pollution they emit.

Surprisingly, the auto companies support the strong rules. Even more surprisingly, though, they can dictate how successful the program will be.

This presents Detroit with an unusual challenge.

After accepting $80 billion in bailouts and demanding wide flexibility in the new environmental standards, will the carmakers act responsibly and embrace them as an opportunity for bold transformation? Or will they latch onto the loopholes they won, undercutting the rules' benefits by building even more gas guzzlers and pushing a "bigger is better" line?

President Obama announced the broad goals, which cover new cars and light trucks sold from 2017 to 2025, in July. The administration unveiled the specific rules for reaching those targets last week, as the industry prepared for the L.A. Auto Show.

Based largely on industry information about the size and mix of the vehicles it will produce, the government forecasts a fleet that averages 54.5 mpg in 2025, and that's been the news sound-bite. But the companies get to decide what models to make — how many trucks, how many cars, what size. If Detroit opts for bigger cars and more SUVs, pickups and vans, the mileage will be nothing near that admirable goal.

The aim also is to cut car emissions by roughly 5% a year and those from light trucks by 3.5% — on a sliding scale based on size. But the weaker truck standard, which doesn't require significant emissions reductions until 2021, invites the manufacturers to make more trucks than cars. Similarly, if the companies make larger trucks or larger cars, the bigger vehicles qualify for weaker standards as well — reinforcing the incentive to make and sell larger vehicles and more trucks.

The decision on whether to go bigger will have the greatest impact on how much vehicles guzzle and pollute because it is size that matters most.

These loopholes and others were the price that General Motors, Ford and Chrysler demanded before supporting the emissions rules — developed by the Environmental Protection Agency, the National Highway Traffic Safety Administration and the California Air Resources Board.

FROM THE ARCHIVES

Business Briefing / Autos
January 22, 2009

States gain sway on car emissions
September 13, 2007

Tough Car Emissions Rules OKd
September 25, 2004

MORE STORIES ABOUT

News
Opinion
Commentary
Environment

The new standards' benefits can be huge, but success is up to the automakers' sense of corporate responsibility.

The government projects that the nation would gain between $350 billion and $450 billion in fuel savings — roughly three times the cost of the fuel efficiency technology. Consumers would pocket more than $4,000 in individual savings, even after paying the higher up-front costs for cleaner cars. If gas prices rise — and who thinks they won't by 2025 — the savings would be even greater.

The program would save 1.5 million barrels of oil a day (the amount the United States imports daily from Saudi Arabia and Iraq) and keep more than 280 million metric tons of carbon dioxide out of the atmosphere annually by 2030. Until current politics change, cutting auto emissions is the only major step the United States will take to fight global warming.

Meeting the new goals is not a big challenge. Off-the-shelf technology, such as improved engines and transmissions and high-strength lightweight materials, along with the inclusion of a modest number of electric vehicles, would do it. The 2025 car would get roughly the mileage of today's Prius; light-duty trucks that of the hybrid Ford Escape. Because automotive safety is a function of design and technology rather than size, the new targets can be met without compromising it.

But Detroit's track record is not good. Congress passed the first fuel efficiency law in 1975. The standards were weaker for light trucks than for cars. Over the next three decades, industry marketers pushed trucks, as automakers sought to evade the tougher car rules. By 2004, they drove truck sales to 56% from 21% in 1975.

Gas guzzling and tailpipe pollution grew. Gas prices climbed. Foreign companies made more efficient cars, and the U.S. auto industry's fortunes plummeted. By the American carmakers' flawed calculus, bigger profits can come only from bigger cars: super-size them and kick up the price.

But in foreign markets, both U.S. automakers and their competitors make a profit on efficient cars sporting high-end audio, plush upholstery and other popular amenities. Why shouldn't the Detroit Three emphasize that at home? America's taxpayers bailed out the automakers after the companies' irresponsible behavior landed two of them in bankruptcy. The industry — profitable again — can repay us by making vehicles that meet the most stringent targets they accepted rather than trying to exploit the loopholes.

With conscientious corporate decisions that follow the spirit as well as the letter of the program, they will help the nation fight its oil addiction, slash global warming pollution and save billions at the pump.

The automakers have the power to make the emissions and mileage program a success. They demanded to be in the driver's seat. It is time they drive responsibly.

Dan Becker directs the Safe Climate Campaign. James Gerstenzang, who covered the White House and environment for The Times, is the campaign's editorial director.

MORE:

Seizure Led to FloJo's Death

His 104 scores make his case

Restaurant review: South Beverly Grill

Brutal Murder by Teen-Age Girls Adds to Britons' Shock

Comaneci Confirms Suicide Attempt, Magazine Says

