BANGOR DAILY NEWS

Gas pains



Manuel Balce Ceneta | AP

President Barack Obama greets Ford President and CEO of Ford Alan Mulally (center) at the Washington Convention Center in Washington, Friday, July 29, 2011, where he announced a new fuel efficiency standards for cars and light trucks. Looking on are Volvo Cars of North America President and CEO Doug Speck (left) and General Motors Chairman and Chief Executive Officer Dan Akerson (right).

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It sounded like all sweetness and light last month when the chief executives of Detroit's Big Three stood with President <u>Barack Obama</u> and agreed on the largest increase in fuel economy standards since the government began regulating gasoline consumption in the 1970s.

There had been plenty of harsh language in the weeks that led up to that White House love fest. The Alliance of Auto Manufactures had launched an ad campaign denouncing what it called a "radical plan" for an average of 56 miles per gallon by 2025. It said that the original plan would, in effect, mandate hybrid-electric cars. The ad said: "After tough times, today's auto industry is on the way to recovery. But an upcoming decision threatens that progress."

Almost the entire Michigan congressional delegation chimed in with a letter to the president calling the government's "starting" proposal "overly aggressive and not reasonably feasible." It quoted a report by the Center for Automotive Research suggesting that overly stringent standards would cost 260,000 jobs and add \$10,000 to the cost of a car. The only member of the Michigan delegation not to sign the letter was Rep. John Conyers Jr., a Democrat, who said higher fuel efficiency standards would be good for the industry and good for the country.

Speakers at the auto industry's annual Management Briefing Seminars in early August were highly critical of government plans. Sean McAlinden, vice president and chief economist of the Center for Automotive Research, or CAR, likened electric cars to other recent "green" technologies such as the tiny light bulbs mandated to replace incandescents in the U.S. He said they cost five times more and work half as well. He said if he had driven the 300 miles to the meeting in a Nissan Leaf, "I would have spent two full nights roasting wienies in a state park attempting to charge this puppy every 75 miles."

But by the time Mr. Obama announced the details, the manufacturers and the United Automobile Workers had won enough concessions to enable them to approve the plan. The government had agreed to weakened pickup truck standards and other loopholes plus a midterm review with an opportunity to modify the terms. Daniel Becker, director of the Safe Climate Campaign for the Center for Auto Safety, said by email that most of the automakers had come to support the plan, although "that doesn't mean they love it." He said, "The loopholes will mean less oil, pollution and gas-pump savings. But the standards are still pretty good, especially considering the current political climate in Congress."

The final standards require an average 54.5 miles per gallon by 2025. In a system of "credits," sales of vehicles that run on electric batteries or fuel cells will be given more weight in the fleet average than normal gas-powered vehicles.

As oil is predicted to become scarcer — and more expensive — this is good news. And, since the same automakers already make more fuel-efficient cars in other countries, all the complaints may have been just for show.

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