OMB questions fuel-economy benefits

By Juliet Eilperin

Environmentalists are suddenly fretting that the nation's first-ever climate rule for vehicles will contain a catch: a new cost-benefit analysis that slashes the benefits associated with any new energy-efficiency rule.

The administration will issue rules by the end of the month that will curb greenhouse gases from cars and light trucks. On Friday, a group of environmental and consumer groups sent a letter to Office of Management and Budget Director Peter Orzag suggesting the OMB may apply a "discount rate" of 20, 35 or 50 percent to the benefits associated with the new regulations.

In plain English, this means that OMB is suggesting the...
benefits that stem from increased energy efficiency might be half as valuable as the Environmental Protection Agency and the Transportation Department say they are. Usually, OMB applies a discount rate of 3 to 7 percent to a proposed rule's estimated benefits.

Dan Becker, who directs the safe climate campaign for the Center for Auto Safety signed the letter. The dispute, he said, is "not about discount rates. It's about the viper in the bosom of the Obama administration that could undermine everything they're trying to do on energy -- and perhaps the environment."

It remains unclear how the administration will calculate the benefits associated with the new climate rule in the end. OMB spokesman Kenneth Baer would not comment on the internal interagency deliberations on the rule, emphasizing, "No rule has been finalized."

"We welcome the input of these groups and we urge them to come in and voice their concerns on this matter," Baer said. "Getting public comment is a key part of the review process."

BY JULIET EILPERIN | MARCH 19, 2010; 3:51 PM ET

The fact I have owned a Toyota Prius since 2001 should make it evident that fuel efficiency is important to me. In the 9 years I have owned the vehicle I figure I have used about 100 gal less of gas each year as opposed to my previous Honda Accord (which was itself relatively fuel efficient). This means I have saved about $2200 during the 9 years I have owned the vehicle. Don't let the OMB dilute the fuel efficiency requirements we need in this country.

POSTED BY: VGCHILD | MARCH 28, 2010 3:47 PM

We love our 2005 Honda civic Hybrid, and our solar panels are in place for our next car to be an affordable electric once one is made!

POSTED BY: EBANWELL | MARCH 27, 2010 2:39 PM

My 2003 Prius was my favorate car, ever. 139,000 trouble free low cost miles. It was crushed between a Ford 150 and Chevrolet Suburban last summer. My 2010 Prius is even better. The fuel savings make me smile everytime I have to buy a tank of gas. I love the savings. I love sending fewer dollars to the Mideast oil barons. I particularly love reducing my personal CO2 emissions.

POSTED BY: CHARLIE_SCHAFFER | MARCH 25, 2010 5:36 PM

My 2006 Honda Insight joined our 2000 Insight, and ever since, we've been delighted drivers. We chose the Insight because it had the lowest carbon emissions. We treasure these cars, besides, because of their excellent mileage. Mine has an overall 62 mpg, and we go through all sorts of...
roads and weather in hilly Wisconsin. Nothing is more important than the environment, including the people in it.

Every environmental improvement we make in our lives causes our living to be more rewarding, more comfortable, and more secure—that's just been our own experience. Try making the environment happy, and see what it does for you. Stop caring about the environment, and you stop caring about yourself.

POSTED BY: JANSAECKER | MARCH 25, 2010 11:27 AM
REPORT OFFENSIVE COMMENT

I have owned all sorts of cars (Fords, Chevys, Buicks, Pontiacs, VWs, Nissan products) in my 65 years of driving (I'm now 81). My 2005 Prius is the best car I have ever owned with gasoline costs nearly half of those of the most efficient cars I previously owned. I bought it for its fuel efficiency and environmental benefits, but have found many other ways to like it. Its other features, like maneuverability, turning radius and comfort in both front and back seats, are every bit as good as the best of the other cars I have owned. I drive it not only locally but have had several trips of 2000 - 4000 miles with great satisfaction. Several of my friends have taken my lead and bought hybrids to their great satisfaction. Nuff said!

POSTED BY: J3DMACD | MARCH 25, 2010 11:15 AM
REPORT OFFENSIVE COMMENT

I live in the Detroit area with many family and friends who work for the US auto industry. So, when I bought a Toyota Prius 5 years ago it caused a lot of personal conflit! At that time, I had just had a baby, and my biggest priority was (and still is) for my daughter to grow up in a clean safe world. I wanted a car that would use the least amount of a limited resource, cause the least pollution and save myself money in the process. Also, because big corporations only listen when money talks, I wanted the auto industry to get the message that Americans DO want Hybrid technology. I now have 132,000 miles on my Prius and it has been the BEST car I have ever owned!!!

POSTED BY: KKEITH1 | MARCH 25, 2010 9:13 AM
REPORT OFFENSIVE COMMENT

I brought a 2008 Prius because of the MPG ratings.

I will buy another Prius once the plug in hybrids are available.

For those who would argue that coal fired electricity used to charge the vehicle will negate the positive benefits of the vehicle's operation.

I plan on installing an home electricity generation plant to recharge the plug-in.

Gas price is the primary reason for my purchase.

Secondary reason is the CO2 emissions.

The Prius is close to a zero emissions vehicle as we can get till fully electric personal transport becomes widely available.

I refuse to pay long term higher gas prices and support large Oil Company profits.

Thank you,
I bought a Honda Civic Hybrid 8 years ago. My husband bought a Prius 5 years ago. We both saw the need to protect the environment and today it is more important than ever.

We certainly bought our hybrid based on fuel economy, and it's just as valuable to us now, 7 years later, as it was then. More so, actually, since gas is more expensive now. We have almost 200,000 miles on the car and it still gets almost 50 mpg! When we have to buy a new car, we will buy one with the best fuel economy we can. We paid $4k extra to get our Honda Civic Hybrid in 2003-- it would have been $4k less to get a non-hybrid Honda. We have certainly made up for that money and saved a lot more, and would do the same again.

I bought my Prius based on mileage. I already owned the car with the lowest emissions in it's class. Made the purchase the minute I could. Both of these cars were from foreign manufactures - I'd rather buy American made....

I agree with many of the comments above. I am definitely interested in fuel economy and price. I am also concerned about the essential need of our country to curtail use of fossil fuels, including oil, to insure the quality of our air. EPA must have all the necessary resources to fulfill its mission.

This is very surprising - how did the OMB come to this conclusion. OF COURSE fuel economy was the major reason I purchased my hybrid almost four years ago, and with gas prices continuing to rise since then - the savings just continue to multiply. What people often forget is that emissions are closely linked to fuel economy. If you burn less fuel, you have fewer emissions (my hybrid is a partial zero emissions vehicle), and that's where the whole discussion on climate change should be. Fuel economy and emissions go hand in hand, so there's no way anyone would "devalue" savings on fuel, and saving the planet. This OMB maneuver is something I would have expected during the last administration, not this one!

It is CRAZY, unpatriotic, and just stupid, of the OMB to consider lowering fuel efficiency standards......ooops, let me start over.

In this day and age, it is SMART and, really, the only thing we should be considering, to continue to find ways to
INCREASE the fuel efficiency standards so that all Americans can use less foreign oil. We also purchased a 2005 Prius, knowing at the time that the mileage wasn't as good as we'd like and that other efficiency improvements could be made.... but it was better than anything that American car makers were offering, and it was better than anything offered to that date (within everyman's range). We knew we needed to show the 'market' that fuel efficiency IS important to Americans.

I beg to differ that fuel economy is not a major consideration, when purchasing a new automobile. For retirees in is!
I am a retiree; retiree income tends not to keep pace with inflation. Two considerations are of primary consideration for new car purchases: (1)fuel efficiency and (2)vehicle dependability/longevity.
I purchased a 2004 Prius with those objectives in mind, and I am very pleased with that decision.
Since then, four of my retired siblings have purchased Prius hybrids, with the same considerations driving those decisions. We are all very pleased. Our incomes will stretch a lot better, driving fuel efficient vehicles!

I have a 2004 honda civic hybrid which averages 42 mpg. With the cost of gas in san francisco over $3.00 per gallon, it is extremely valuable to have such fuel efficiency. The OMB is out of touch with consumers who have to pay everyday for the cost of each mile we travel, and with citizens who value clean air to breathe.

I am angry that the OMB is apparently considering a ridiculously high discount rate in its calculations on the future value of auto fuel saved. If, as OMB spokesperson Baer states, public comment "is a key part of the review process", how can OMB not be aware of the strategic shift in American car-buyer's interest in higher-mileage cars? Have the operatives at OMB been living in a closet? Don't actions speak louder than words? But of course, if they were all in a closet, they couldn't have heard all these quieter, cleaner, more efficient cars!
And then again, OMB may not be required to account for external costs? Even if this is the unfortunate case, as the owner of a Prius, I am fully aware of what I was willing to pay for "future fuel saved" and I consider all those thousands of "first dollars" well spent. I hope the OMB gets out of its closet in time to hear these comments.
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POSTED BY: TWIG2 | MARCH 24, 2010 10:56 AM
REPORT OFFENSIVE COMMENT

I have owned a Toyota Prius since 2004. I love the fuel economy (typically 45-50mpg). This is my 2nd Prius and I would definitely buy another. Please do not allow the OMB to skew statements away from the fact that Americans ARE concerned about fuel costs today and will be in the future. As I am currently unemployed I am especially aware of transportation costs and my Prius awards me with very low demands at the pump.

POSTED BY: JAYBIRD523 | MARCH 24, 2010 8:17 AM
REPORT OFFENSIVE COMMENT

We bought a Prius in 2001, the first year they were available and on-line was the only way to buy one. We liked it so well we bought a second one in 2006. My daughter bought one in 2007. Not only is the gas economy great (45-50mpg) but with the electric starter there is no spewing of nasty exhaust that happens with a regular ignition as you crank it to get the engine to turn over. It's quiet and shuts down when the car comes to a stop, so no idle and no wasting of gas, no sending out fumes when stopped in traffic. It is a very comfortable ride and has lots of cargo room. When we go camping, my husband and I can put a mattress in back with the seats folded down, with room for us both, long enough for him to stretch out. It's a righteous ride. The only other car I might buy would be a totally electric vehicle. I'm watching for the right one. Jenniepfeiffer

POSTED BY: JENNIEPFIEFFER | MARCH 24, 2010 12:50 AM
REPORT OFFENSIVE COMMENT

Bought our Prius in 2001. Now have 250,000 on it. We've saved 7,500 gallons of gasoline driving the Prius over our old gas-guzzler. when we bought our Prius gas we thought $1.50 a gallon was a high price! It was worth it then, and more so now.

Remember that with the Cash for Clunkers Program, people got rid of their Explorers (like we did in 2001) and bought Corollas and Civics. Anything to get higher mileage.

But the reason we bought it was the super-low emissions, the best at the time. Now if I could just afford an electric vehicle we'd get one, too!

POSTED BY: WEIR1 | MARCH 23, 2010 10:46 PM
REPORT OFFENSIVE COMMENT

In 2004, we signed up for the new vehicle, the Prius. Back in 2004, the price of gas was not an issue. Our reason for
buying a Prius was different. We chose NOT to depend on the Middle East for our fuel, we worried about the state of our environment, and we did not want to spew more dirt into the air when driving our car. Therefore, the PRIUS. We’d driven it, but more than that, we’d read about it. The fact that there were far fewer emissions from this vehicle and that it used far less gas than other cars, was enough to give it a try.

After nine months of waiting, we accepted our new Prius 2005, not knowing how it would maneuver, whether it would be comfortable, whether our two grandsons would feel comfortable in the back seat. Fortunately, all these worries were unnecessary. The car handles beautifully, the interior space is most comfortable, and it maneuvers like any other car we have handled, if not better. An added bonus is the “quiet” of the car. Also, when we find ourselves in a traffic jam on the West Side Highway in New York City, our car quietly shuts down, no longer spewing toxic gas emissions as other vehicles do, while awaiting traffic to move on. We LOVE our PRIUS. When it is time, we will replace it with a new Prius, convinced that not only the savings on gas to be beneficial, but also the good that driving a hybrid or electric vehicle will benefit the planet and the air we all breathe.

Think of all the cars on the highways. Think what good it would do for the planet if most of them were hybrid or electric. You must keep the health of the planet in mind when considering new legislation. You must consider the importance of clean vehicle standards and keep them at the optimal level. This is not the time for cars that average 10 to 20 miles per gallon. They have already soiled our air. We must send a message to our citizens that clean air is vital to our survival, and the survival of our planet.

Like most here, I bought a 2005 Prius. I also added a PHEV conversion, which cost $11k. (Our teens share that car). Then I spent about as much as the cost of Prius + conversion on a 6-year-old RAV4-EV (my wife drives that one). Then I bought a Tesla Roadster (I drive that one). This adds up to an awful lot of money when we already had some good cars.

But reducing our carbon footprint, reducing pollution, helping the local economy (by buying energy here, rather than the Middle East), and increasing our energy independence are all incredibly important--and will REMAIN important. Why would you discount the future "value" of these issues when you know they are only going to become more pressing?

I own a Prius and a full electric vehicle (Rav4EV). The EV is driven 20x more often than the Prius because I can't stand having to buy and burn gasoline for transportation. Every year we have owned and driven the EV, it has become more valuable to us as gas prices have steadily risen, and we avoid more and more tuneups and oil changes. My transportation choices are determined by the impact on the environment and on our national security. How does one put a dollar value on environmental protection and national security? For certain, the value of these does not decrease over time! I only burn gasoline as a last resor, and the fuel for my EV comes from the solar panels on our roof.
Although I prefer to buy American, for the past three years I have driven a foreign car that averages 50 mpg. Unfortunately U.S. auto manufactures refused to produce comparable vehicles, so I had no real choice if I wanted to be a responsible consumer. In the 80,000 miles I drove during this time I saved 3733 gallons of gasoline compared the amount I would have used in the Ford van I drove previously. Maybe OMB will calculate the price per gallon I would have had to pay during these years to have realized a negative “direction of the net private economic impact”. The next vehicle I purchase will average 60 mpg even if I must pay more for it. Please OMB stop using creative discount rates to misrepresent me and others like me.

We own two hybrids, a Toyota Prius and a Toyota Camry. Between the two we average over 40 MPG. That is more than twice the mileage of our previous cars, a Jaguar and a Volvo. Good mileage is important to us now and will be even more so in the future. Our next purchase, two to three years from now, to replace our 2004 Prius, will be either a plug-in hybrid or an all electric car. Either will more than fill our need for the around the town driving we do. The highest standards are needed or the auto industry will look out only for their own interests and take the easiest way out.

As a 2001 Prius owner I’ll just say there are MORE benefits than advertised with such hybrid vehicles, fuel economy only being the obvious one. My car is amazingly light which saves on tires and wear and tear on road and highway surfaces. Oil changes are at 5000 miles and tuneups @ 40,000 miles. There’s little to no maintenance! The Center for Auto Safety advocates what you would expect from a shill for the auto makers, lobbying against change they would do anything to avoid. We were so sold on our first one we bought a second one for my wife in 2006 and have never looked back. Don't by the US car companies' hype!

We bought a Prius in 2007 for 2 reasons, both relating to fuel economy. 1) The high fuel economy saves us money at the pump. and 2) The high fuel economy saves the environment. The fuel savings mean as much or more to us now as when we bought the car originally. We hope to eventually have 2 cars that get over 50 miles to the gallon, preferably 100 mpg. I would be very angry if the OMB discount rate kept cleaner, more-efficient options out of the show rooms at that time. I think the OMB is caving to Big Oil companies which want to continue selling as much gas as possible while racking up obscenely huge profits.

I, too, am a Prius driver and love my car. The savings in gas is extremely important to our family and the planet and
Last fall I sold my 2006 Honda Civic partly because it was not delivering anywhere near the 40 mpg on the EPA sticker. It averaged only 28 mpg. I purchased a 2009 used Prius which averages 46 mpg. Our Honda Odyssey only averages about 17 mpg so we seldom drive it on long trips because even at $2.60 per gallon we are saving 10 cents per mile on gas alone by driving the Prius. We expect gas prices to continue to go up so that when we have to replace the van, gas mileage will be a high priority. A high devalue for future saving assessment on mpg is very unrealistic in terms of our own priorities.

We are a two Prius household. We chose to purchase hybrids to save fuel, cut emissions, and support a transition to clean energy. California is poised to lead the way with its landmark tailpipe emissions law and we look forward to seeing impressive growth in the fuel-efficient vehicle market.

I drive a 2003 Prius and have been extremely pleased with the savings I have realized on fuel. When I bought it my first priority was fuel economy and low emissions but I have also found it to be comfortable, roomy and really fun to drive. I feel that many people want good fuel economy especially in light of the very volatile gas prices we have experienced in the past few years. It does not make sense for the OMB to de-value very real future savings.

I bought two Prius cars in 2006, because high fuel economy pays off for people who breathe the air, drink the water, and pay our offshore vendors. The drivers benefit, too. In retirement, there will be no guzzler to feed, sitting in the driveway. The price of gas doesn't matter when you are getting 50+ mpg.

A dime a gallon translates to a quarter a week in expense. Many people were immobilized when gas approached $5/gal, but we drove to Disney World. I chose not to be victimized.

When replacement time comes, I'll beat the bushes for something that gives 100 mpg.

Obviously, the OMB doesn't see things the way I do. Oil is finite. This (or any future time) isn't the time to waste what remains.
that. I can't even believe the OMB is proposing something like this. I love saving money at the pump and a million other ways because my car uses so little gasoline. I have so highly recommended by car that at least six of my friends have purchased a Prius. The monetary savings is of huge importance to me and to others. More and more people are getting rid of gas guzzlers and we must make every effort we can to stop our dependence on foreign oil. We passed a rule and now you want to fiddle with it. Who is lobbying for this one?

We should be doing more for the economy and environment, not less.

POSTED BY: MARIE18 | MARCH 23, 2010 5:43 PM
REPORT OFFENSIVE COMMENT

We have owned a hybrid since 2005, and bought it for two equally important reasons: we would use far less gas (saving money—especially when the price went up beyond what we expected) and it was far easier on the environment (which also saves money, in the long term, even if it isn't directly "our" money). Whether or not we recover every cent spent on the car is not the issue here, and anyone who approaches environmental issues with that mindset isn't thinking through the whole problem.

POSTED BY: ELAINEW1 | MARCH 23, 2010 5:42 PM
REPORT OFFENSIVE COMMENT

I own two Prius’ and bought them primarily for the fuel economy and low emissions. I believe that we need to use less (preferably none) petroleum products and a hybrid automobile is the most effective way (for now) to achieve that. Devaluing fuel economy and low emissions as a reason to purchase hybrid vehicles is nuts.

POSTED BY: WRING3 | MARCH 23, 2010 5:39 PM
REPORT OFFENSIVE COMMENT

As a driver of a hybrid car I believe future prices of gasoline as well as fuel economy are very important. I further believe that Americans are becoming more concerned with the future savings potential that may be afforded by driving more efficient vehicles. I for one strongly prefer cleaner, more efficient vehicles for my future automobile choices.

POSTED BY: JTAYLORS | MARCH 23, 2010 5:25 PM
REPORT OFFENSIVE COMMENT

I have to say what the OMB is trying to pull here seems ridiculous to me. We have owned a Prius since 2005. I paid more up front knowing I'd be getting more in return, and every time I fill up, I "value" my gas savings. Indeed these savings are far more real to me as I'm reminded how much I'm going to be saving every time I see gas prices go up.

How in the world is that "de-valuing" future savings? Frankly, when it comes to gas prices, I think many car consumers think MORE about future savings than with other products because of our culture's sensitivity to volatile gas prices—something we're likely to see plenty of even with cleaner car choices. I think OMB is totally misreading car consumers, and should leave this very consumer-friendly rule alone.

POSTED BY: KIRSCOTT1 | MARCH 23, 2010 2:39 PM
REPORT OFFENSIVE COMMENT
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