Consumer Federation of America

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CONSUMERS STILL GREATLY CONCERNED ABOUT BETTER GAS MILEAGE AND OIL IMPORTS DESPITE FALLING GAS PRICES

NEW ANALYSIS SHOWS 9 OF 13 MANUFACTURERS' FUEL EFFICIENCY DECLINED IN 10 YEARS

Washington, D.C. -- In a recent consumer survey and a separate analysis of the ten year change in motor vehicle fuel economy, the Consumer Federation of America (CFA) has learned that consumers want better gas mileage in their favorite cars but most manufacturers have reduced their overall fuel efficiency.

"Even as consumers express less concern over gas prices, their concern over our dependency on oil and the desire for fuel efficient cars remains high," said Jack Gillis, CFA Public Affairs Director and author of The Car Book. "At the same time, our analysis shows that 9 out of 13 major U.S. car sellers had lower fleet wide mpg ratings than they did ten years ago."

CFA survey results also reveal that consumers see U.S. automakers' financial distress as a direct result of their lack of fuel-efficient offerings.

"Improving motor vehicle fuel efficiency is a win-win-win solution that would not only lower consumer costs and help decrease our dependence on oil, but also improve the future prospects of U.S. car companies," noted CFA Research Director Mark Cooper. "It is essential that the new Congress move quickly to approve higher fuel efficiency standards in order for these benefits to be realized." he added.

The survey and analysis present a picture both of consumer attitudes and of manufacturer performance. The survey was conducted by Opinion Research Corporation in October. ORC surveyed more than 1,000 representative adult Americans, with a margin of error of plus or minus three percentage points. The car analysis was undertaken by Gillis using data made available by the U.S. Department of Transportation.

Consumers Want to Purchase the Same Type of Vehicle but Want It to Be More Fuel Efficient

The consumer survey began by asking who was planning to purchase a car in the next five years. Fifty-seven percent—and much higher percentages of men, Hispanics, and young adults (18-24 years of age)—said they were planning to.

Then the survey asked, among these future purchasers, what type of vehicle they were planning to purchase.

- Forty-five percent said a car—18% a subcompact or compact (disproportionately young adults), 20% a midsize car, and 7% a large car.

- Twenty-six percent said an SUV—10% a small SUV, 11% a midsize SUV, and 5% a large SUV. These future purchasers were disproportionately adults aged 25-34, those with children, and surprisingly, those with incomes below $25,000.

- Eighteen percent said a pick-up truck—4% a compact truck and 14% a standard truck. These purchasers were disproportionately those living in rural areas and those with incomes of $50,000-75,000.

- Nine percent said a minivan, predictably, disproportionately those with children.

The survey then went on to ask what kind of vehicle this future purchase would replace. Significantly, large majorities of those with vehicles in each of the nine vehicle classes listed above said they wanted to stay within the same class. For example, most of those owning a midsize car planned to purchase another midsize car.

However, in response to the next question, most future purchasers said they wanted this vehicle to get better gas mileage. Fifty-three percent wanted higher mileage, and about one-half of this group (26% overall) wanted much greater miles per gallon. Those wanting much higher mileage were disproportionately young adults (51%) and those with incomes below $25,000 (36%).

Thirty-three percent said they desired about the same gas mileage, and 12% said they expected lower mileage, presumably because they were planning to "move up" a car class from a smaller to a larger vehicle.

In an unrelated question asked of all those surveyed, two-thirds (67%) agreed that "the well-publicized financial problems of both Ford and General Motors have resulted from their emphasis on producing and marketing SUVs and pick-up trucks with relatively low miles per gallon." Thirty-one percent responded "a great deal" while 36% responded "somewhat." Only 15% said "not at all."

In another unrelated question, despite declining consumer concern about gas prices—down from 81% in February 2005 to 64% last month—their concern about dependence on oil imports remains high. In a question CFA periodically asks consumers, two-thirds (67%) said they were "very concerned" or "somewhat concerned" about U.S. dependency on Mid-Eastern oil. Back in February 2005, when gas prices were rising, 70% had expressed concern about this dependency.

Most Manufacturers Fail to Respond to Concern about Fuel Efficiency—Though Some Do Better Than Others

Using manufacturer reported CAFE mpg averages CFA compared the change in CAFE rating of each manufacturer from 1996 to 2005 (ten years). As Table 1 indicates, of the thirteen

major manufacturers, 9 had lower CAFE averages in 2005 than they did in 1996. Only 3 actually increased. One stayed the same. By far the greatest improvement was at Toyota, with a CAFE mpg increase of 1.5 miles per gallon, in spite of significant increases in the sales of their SUVs and pick-up trucks. The greatest decline was at Hyundai (-4.8 mpg).

For model year 2005, only three companies—Honda (29.3 mpg), Toyota (28.9 mpg) and Hyundai (28.2 mpg)—had fleet averages of more than 28 mpg. At the bottom of the 2005 ranking, GM (24.6mpg), Kia (24.5 mpg), Ford (24.1 mpg), and DaimlerChrysler (22.9 mpg) had fleet averages under 25 mpg.

1. The Change in Manufacturer Miles Per Gallon 1996-2005[a] Sorted by 2005 MPG

Manufacturer	1996 MPG	2005 MPG	Change in MPG	2005 Car MPG	2005 SUV/PU MPG
Honda	32.0	29.3	-2.8	33.2	24.9
Toyota	27.4	28.9	1.5	35.1	23.1
Hyundai	33.0	28.2	-4.8	30.3	24.7
Volkswagen	28.6	28.0	-0.6	29.1	20.1
Subaru	27.7	27.7	0.0	27.9	27.4
Suzuki	29.8	27.2	-2.6	29.6	22.8
Mitsubishi	29.0	27.2	-1.8	29.9	23.6
Nissan	27.9	25.6	-2.4	29.4	21.6
BMW	27.4	25.3	-2.1	27.2	21.3
GM	25.1	24.6	-0.5	29.3	21.8
Kia	27.4	24.5	-2.9	29.5	21.4
Ford	23.4	24.1	0.7	28.6	21.6
DaimlerChrysler	22.2	22.9	0.7	28.0	21.4
TOTAL	24.9	25.4	0.5	30.3	22.1

For model year 2005, Toyota had the highest car CAFE mpg rating (35.1 mpg). In the SUV and pickup category, which has exerted the greatest downward pressure on fuel economy, the highest average was Subaru (27.4 mpg). By comparison, the averages for SUVs and trucks at VW, Nissan, BMW, GM, Kia, Ford, DaimlerChrysler were all less than the national average of 22.1 mpg.

Manufacturers Vary Widely in Meeting CAFE Standards

CAFE standards were put in place by the federal government years ago to set minimum standards for fuel efficiency. For 2005, each manufacturer is required to maintain a fleet average of 27.5 mpg for cars and 21.0 mpg for SUVs and pickups. As these are fleet averages, not all vehicles in a manufacturer's fleet have to meet the standard. As Table 2 shows, we found wide variations in the percent of each manufacturer's vehicles that met the standard. Only about half of those vehicles produced by BMW (40%), Ford (49%), and GM (56%) met the standards. At the high end, nearly all vehicles produced by Honda (94%) met the standards.

[a] Based on NHTSA data reported October 2006 and manufacturer supplied mileage figures for CAFE compliance. Does not include Porsche and Ferrari due to low sales.

2. The Best and Worst Manufacturers at Meeting CAFE Standards in 2005

Manufacturer[b]	Vehicles Meeting CAFE 1996	Vehicles Meeting CAFE 2005	% Point Diff.
Honda	86%	**94%**	8%
Toyota	61%	**84%**	23%
Mitsubishi	78%	**83%**	5%
Suzuki	100%	**82%**	-18%
Subaru	67%	**82%**	15%
Hyundai	98%	**80%**	-18%
Kia	100%	**79%**	-21%
Volkswagen	73%	**75%**	2%
DaimlerChrysler	46%	**65%**	19%
Nissan	68%	**65%**	-3%
General Motors	52%	**56%**	4%
Ford	45%	**49%**	4%
BMW	42%	**40%**	-2%

"What is particularly startling is that 5 of 13 companies actually had a lower percent of vehicles meeting CAFE in 2005 than they did in 10 years earlier in 1996", said Gillis. "However, adding SUVs to the vehicle mix does not have to result in poorer overall performance. While both Honda and Toyota added considerable numbers of SUVs (Honda had none in 1996 and over a half-million in 2005; Toyota tripled its numbers), each company significantly increased the percentage of their fleet that passed CAFE."

Manufacturers Improve Fuel Efficiency for Some Popular Models and Lower It for Others

Since change in overall fleet fuel efficiency for a manufacturer varies with the mix of vehicles it produces, we compared the change in fuel efficiency of the 40 most popular 1996 models to that of their 2005 versions.

As Table 3 below shows, 16 of the 40 models actually got worse fuel economy in 2005 than they did in 1996. One showed no improvement and 10 had minimal improvement of less than 1 mpg. Eleven showed improvement of over 1 mpg. (For two there were no matching 2005 models.)

The two stars were Toyota Camry (3.7 mpg and 16.0% improvement) and Toyota Corolla (3.4 mpg and 11.7% improvement). The Chevy Lumina/Monte Carlo also improved considerably—by 2.3 mpg and 10.4%. The three models with the greatest deterioration were Saturn SL (-2.8 mpg and -9.3%) Chevy S10 (-2.5 mpg and -11.0%), and Nissan Sentra (-2.3 mpg and -7.3%).

[b] NOTE: The following 1996 manufacturers were acquired by the following companies: Mazda, Rover, Volvo by Ford; Mercedes-Benz merged into DaimlerChrysler; Isuzu by GM

3. How The Top Selling 1996 Models Performed 10 Years Later in 2005[c] Sorted by Change in MPG

Model	1996 EPA Combined	2005 EPA Combined	Change in MPG*	2005 % Change*
Toyota Camry	23.1	26.8	3.7	16.0%
Toyota Corolla	29.3	32.7	3.4	11.7%
Chev. Lumina/Monte Carlo	22.2	24.4	2.3	10.4%
Jeep Cherokee	17.6	19.2	1.6	8.9%
Honda Civic	32.8	34.2	1.4	4.3%
Dodge Ram	14.2	15.5	1.4	9.8%
Chevrolet C/K Pickup	16.4	17.7	1.3	8.0%
Pontiac Sunfire	27.0	28.2	1.2	4.4%
Nissan Stanza Altima	24.4	25.6	1.2	5.0%
Jeep Grand Cherokee	16.3	17.4	1.2	7.3%
Chevrolet Cavalier	27.2	28.2	1.0	3.6%
Mercury Gr. Marquis	20.0	21.0	1.0	5.0%
Honda Accord	25.5	26.1	0.6	2.5%
Chevrolet Corsica	25.2	25.9	0.6	2.4%
Buick Regal	22.3	22.8	0.6	2.6%
Dodge Dakota	17.1	17.7	0.6	3.3%
GMC Sierra	16.4	16.8	0.4	2.7%
Ford F Series	15.6	16.0	0.4	2.9%
Dodge Intrepid	21.4	21.5	0.1	0.5%
Chrysler Minivan (all)	20.4	20.5	0.1	0.6%
Dodge Stratus	24.1	24.1	0.0	0.1%
Cadillac Deville	20.0	20.0	0.0	0.0%
Mercury Sable	22.9	22.8	-0.1	-0.6%
Nissan Maxima	23.2	23.0	-0.2	-0.9%
Ford Windstar	20.0	19.7	-0.3	-1.7%
Ford Taurus	22.8	22.3	-0.5	-2.3%
Dodge Neon (all)	28.7	28.1	-0.6	-2.2%
Chevrolet Blazer	18.2	17.3	-0.9	-5.1%
Ford Explorer	17.0	16.0	-1.0	-5.7%
Toyota Tacoma	21.1	19.9	-1.2	-5.8%
Ford Mustang	22.2	20.7	-1.5	-6.8%
Pontiac Grand Am	25.0	23.5	-1.6	-6.3%
Ford Escort	29.6	27.9	-1.7	-5.9%
Chevrolet Tahoe	15.0	13.1	-1.9	-12.4%
Ford Ranger	21.7	19.6	-2.1	-9.7%
Nissan Sentra	31.4	29.1	-2.3	-7.3%
Chevrolet S10	22.4	20.0	-2.5	-11.0%
Saturn SL	29.8	27.1	-2.8	-9.3%
Ford Contour	25.9	No match		
Oldsmobile Ciera SL	23.3	No match		

* Numbers are based on multi-decimal mileage figures, not the rounded numbers in previous two columns.

The report also examined the change in vehicle weight, horsepower, and engine size from 1996 to 2005. Each factor increased substantially: horsepower 27%; weight 11%; and, engine size 7%. These increases corresponded with the increase in SUVs and helped keep overall fuel economy from improving. Nevertheless, as indicated, some companies, in spite of these overall increases, managed to improve their overall fuel economy by using new technologies.

CFA is a non-profit association of some 300 consumer organizations that, since 1968, has sought to advance the consumer interest through research, education, and advocacy.

[c] NOTE: Combined EPA Ratings, sales weighted for all the variations within the model