



Detroit Automakers Pave Road to Higher Fuel Economy with Little Action, Many Broken Promises

July 2000: Putting a Shine on the SUV, the Big 3 Promise To Improve SUV Fuel Economy by 25 percent Over 5 Years

To stave off Congressional action on fuel economy, and to address the lifting of the appropriations freeze that had tanked the National Highway Traffic Safety Administration's (NHTSA's) fuel economy program throughout the late 1990s, in July 2000 Ford, General Motors and DaimlerChrysler made a highly publicized new commitment to improve the fuel economy of their sport utility vehicles (SUVs). Ford announced it would increase the fuel economy of its SUV fleet by 25 percent over the next five years, and General Motors and DaimlerChrysler echoed Ford's pledge. *If these promises had not been broken, this would have resulted in a 1.8 mile-per-gallon (mpg) increase in Ford's entire light truck fuel economy by 2005 – six times the increase required by NHTSA's new standard for that year.*¹

Fall 2002: Big 3 Privately Retract Promises in Comments and Ex Parte Emails to Federal Regulators

In late 2002, as NHTSA reviewed rules to increase the fuel economy of light trucks, the Big 3 each "clarified" their 2000 pledges – urging regulators to disregard the 1.8 mpg. increase that Ford's promise would have produced. The clarifications came in the form of comments to the Agency's docket on the fuel economy rule and electronic mails between the manufacturers and NHTSA. While publicly available through detailed searches of NHTSA's website and Freedom of Information Act (FOIA) requests, this information was far from the public eye.

In comments to NHTSA, Ford backpedaled on promises, explaining that its estimates are "typically 40-60 percent higher than the improvements that ultimately result on production vehicles," and asking that NHTSA similarly degrade its estimates.² Walt Kreucher, Manager for Vehicle Energy Planning at Ford, also emailed a key NHTSA rulemaking staff member to "remind" him that the "Ford SUV commitment" did not cover all light trucks. NHTSA's staff responded that the agency was relying on the manufacturer's submitted projections more than Ford's public commitment, in the following email obtained by Public Citizen through FOIA:

From: Ken Katz
To: "wkreuche@ford.com".gwhub.hubsmtpt
Date: 8/1/02 9:08AM
Subject: Re: SUV Commitment

Thanks for the clarification, Walt. We are relying on the numbers in the projections more than what the SUV pledge was, although I am aware that it was backed up with the numbers that I have seen.

>>> wkreuche@ford.com 08/01/02 07:48AM >>>
I just wanted to remind you that the Ford SUV commitment included some products that are not included in CAFE. Backing these out of the commitment adjusts the 25% down to 22% for CAFE purposes.

Walt Kreucher
Manager
Vehicle Energy Planning
313-845-8247 phone
313-390-0382 fax

In its comments, General Motors also followed Ford’s cue and backed off its 2000 promise. GM claimed its public pledge had referred only to the company’s “leadership in light truck fuel economy and intent to remain the leader over the next five years.”³ DaimlerChrysler similarly stated that its commitment was only to match or exceed promises made by the other manufacturers.⁴

April 7, 2003: NHTSA Lets Detroit Off the Hook, Issues Do-Little “Standard”

On April 7, 2003, NHTSA issued its final rule on light truck fuel economy for Model Years (MY) 2005-2007. The measly 1.5 mpg increase by 2007 for all light trucks will hardly hold the Big 3 to their 2000 fleet averages, as shown in the chart below, and in no way makes manufacturers responsible for their public commitments on SUVs.

Light Truck Fuel Economy Standards for 2000 and 2005-2007⁵

		2000	2005	2006	2007
NHTSA	Agency’s light truck standard	20.7	21.0	21.6	22.2
	MPG increase from 2000 standard	--	0.3	0.9	1.5
General Motors	Light truck fuel economy level	21.0	<i>18.7</i>	<i>18.8 to 20.1</i>	<i>19.1 to 20.8</i>
	MPG increase/decrease from 2000	--	-2.3	-0.9 to -2.2	-1.9 to -0.2
Daimler/ Chrysler	Light truck fuel economy level	21.4	<i>21.3</i>	<i>21.6</i>	<i>22.2</i>
	MPG increase/decrease from 2000	--	-0.1	0.2	0.8
Ford	Fuel economy level	21.0	<i>20.9</i>	<i>21.6</i>	<i>22.0</i>
	MPG increase/decrease from 2000	--	-0.1	0.6	1.0
<i>Increase from 2000 if Ford had followed its pledge and had increased only the fuel economy of its SUVs.</i>			1.8		

* Italicized figures represent NHTSA’s estimates based on manufacturers’ projections.

April 17, 2003: Ford Admits Promises on SUV Fuel Economy Were Smoke and Mirrors

Ten days after NHTSA’s release of the new rule, Ford finally admitted to the media and public that the company would shirk its 2000 promise on SUVs– a move that *Automotive News* wrote would cost the entire industry “a lot of credibility.”⁶

**Detroit Can Keep Its Promise to America—
Congress Should Hold Automakers To Their Word On SUV Fuel Economy**

¹ According to the Union of Concerned Scientists: “Assuming Ford made no improvements to its other light trucks, its commitment would yield a 1.8 mpg increase for its light truck category by 2005.” See <http://www.ucsusa.org/news.cfm?newsID=303>

² See Ford’s Comments to 2002-NHTSA-11419 Docket 5-8-2002, at 6.

³ See 49 CFR Parts 533: Docket No. NHTSA-2002-11419; Notice 2: “Light Truck Average Fuel Economy Standards Model Years 2005-07,” FR 77015 at 77018.

⁴ *Id.* at 77018.

⁵ NHTSA’s proposals and estimates from “Light Truck Average Fuel Economy Standards Model Years 2005-07,” December 16, 2002; 2000 and 2001 figures from *Automotive Fuel Economy Program: Annual Update Calendar Year 2001*: NHTSA, September 2002.

⁶ *Automotive News*, “Ford’s Vow Ignores Fact that Beating CAFE Can be Costly,” April 28, 2003.