



Drive green.

EPA and NHTSA Proposed Revisions to U.S. Fuel Economy Labels

Mobile Source Technical Review Subcommittee

October 5, 2010

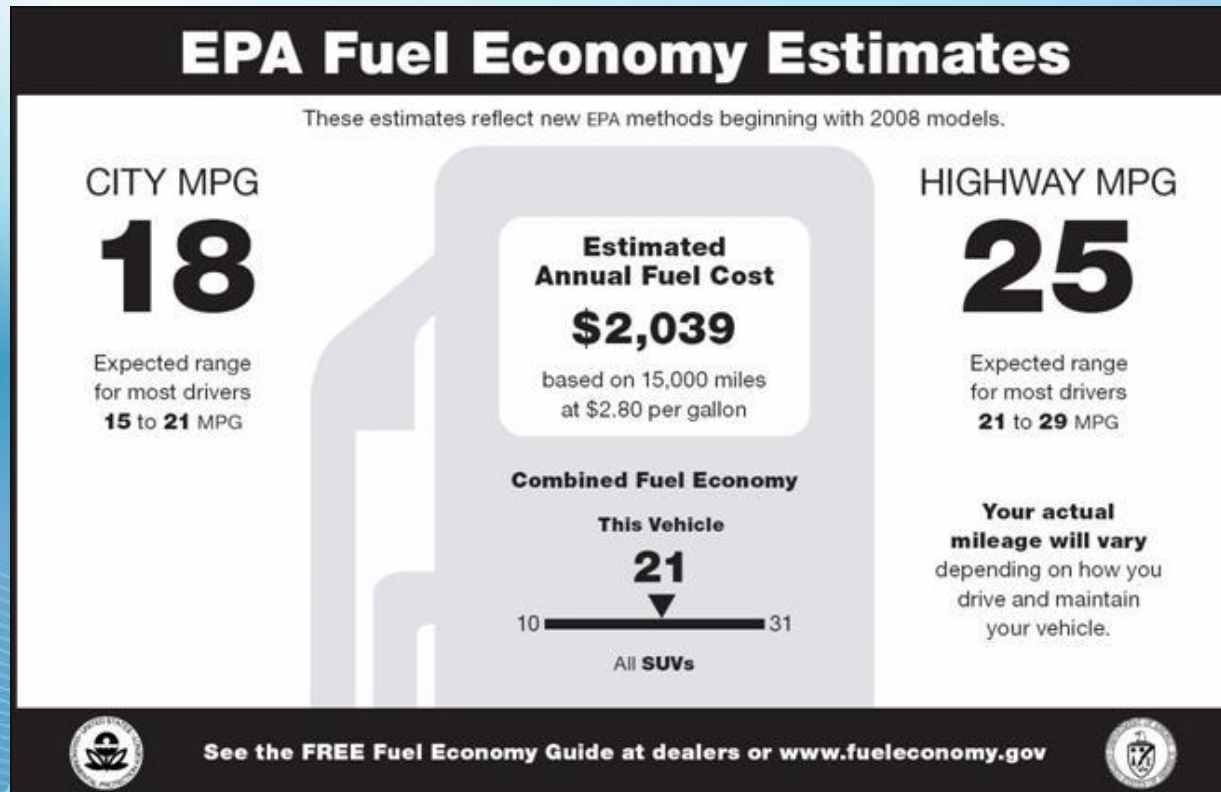
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Ford Motor Company



Value of Today's Fuel Economy Label

- Relatively simple and objective
- Consumers understand the basic information (higher mpg is better)
- Effective for comparing similar vehicles (within segments)



Drive green.


- We support the agencies' goal to develop a new label that will help consumers make good decisions for both themselves and the environment.
- We recognize that the agencies must meet new statutory guidelines, per EISA, to include additional information on labels
 - Greenhouse Gas and other emissions
 - Rating system to allow for vehicle comparison
- At the same time, we need to carefully consider what consumers are saying about the relative importance of the different pieces of data on the label and how they use them to make decisions.


- “Buyers begin the vehicle purchasing process with specific vehicles or a vehicle type in mind that fits their needs. They then search for info. relevant to those particular vehicles.”
 - “70% of consumers surveyed had a specific type of vehicle in mind when they started looking for a new vehicle and the majority of those (81%) said they ended up purchasing that vehicle type.”
- Most (83.7%) did not think the fuel economy label was hard to understand or that it needed to be improved.
- “City and highway gas mileage estimates were important pieces of information ... and was something that needed to be prominent on the label.”

* See focus group reports at <http://www.epa.gov/fueleconomy/regulations.htm#sticker>

Option 1 – “Letter Grades”

EPA DOT | Fuel Economy and Environmental Comparison



Smartphone


The above grade reflects fuel economy and greenhouse gases. Grading system ranges from A+ to D.

website.here

Over five years, this vehicle **saves \$1,900** in fuel costs compared to the average vehicle.

Gasoline Vehicle

Gallons/100 Miles	MPG City	MPG Highway	CO ₂ g/mile (tailpipe only)	Annual fuel cost
3.8	22	32	347	\$1,617


26 **347** **6**

10 Worst 103 Best 850 Worst 0 Best 1 Worst 10 Best

Combined MPGe CO₂ g/mile Other Air Pollutants

- Fuel economy for all SUVs ranges from 12 to 32 MPG.
- Annual fuel cost based on 15,000 miles per year at \$2.80 per gallon.

Visit [website.here](#) to calculate estimates personalized for your driving, and to download the Fuel Economy Guide (also available at dealers).



- Significant departure from today’s label design – the letter grade is the predominant feature, with less emphasis on the actual objective data.
- The “One-Size-Fits-All” grading criteria fails to recognize individual consumer needs (e.g. passenger/cargo capacity).
- “A” grades are reserved for electric vehicles only, which discounts other fuel-savings technologies present in other segment-leading vehicles (e.g. Ford’s advanced gasoline EcoBoost technology).
- The letter grade does not balance fuel economy with smog-forming emissions. Even vehicles that would get a “D” are in compliance with EPA’s Tier II standards and emit 99% fewer emissions than autos from the 1970s.

Option 2 – “Traditional Label”

EPA Fuel Economy and
DOT Environmental Comparisons

Gasoline Vehicle

26 MPG
combined city/hwy 22 city 32 highway
3.8 gallons used every 100 miles

Annual Fuel Cost
\$1,617

How This Vehicle Compares
Among all vehicles and within SUVs

Worst **10** **26** **103** Best
MPGe SUVs

Environment

Greenhouse Gases (CO₂ g/mile, tailpipe only) **347** (Worst 850, Best 0)

Other Air Pollutants **6** (Worst 1, Best 10)

Your actual mileage and costs will vary with fuel cost, driving conditions, and how you drive and maintain your vehicle. Cost estimates are based on 15,000 miles per year at \$2.80 per gallon. MPGe equivalent: 33.7 kW-hrs = 1 gallon gasoline energy.

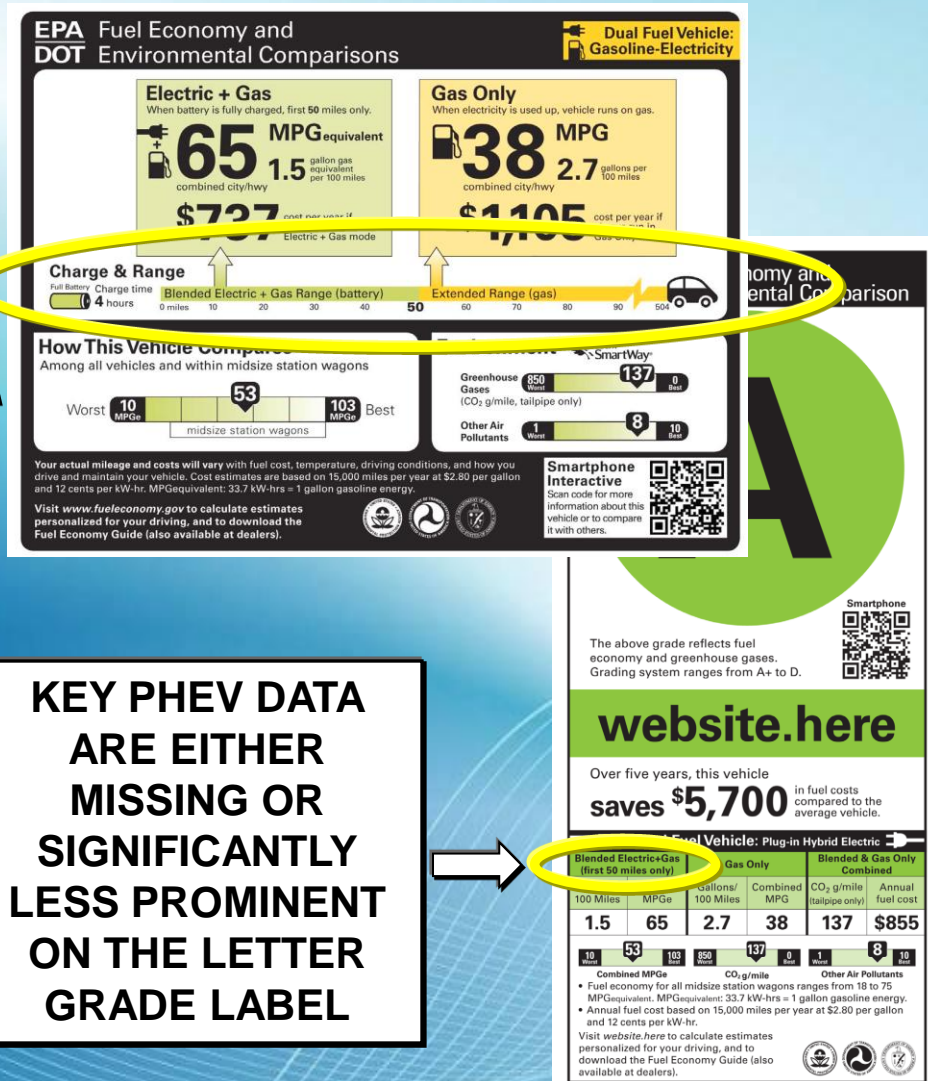
Visit www.fueleconomy.gov to calculate estimates personalized for your driving, and to download the Fuel Economy Guide (also available at dealers).

Smartphone Interactive
Scan code for more information about this vehicle or to compare it with others.

- Preserves the more simple format of today’s label.
- Actual fuel economy data is more visible and gives more prominence to the well-understood MPG metrics.
- Provides a more-balanced comparison for vehicles within the same class.
- Provides more balanced environmental ratings between greenhouse gases and smog-forming emissions.

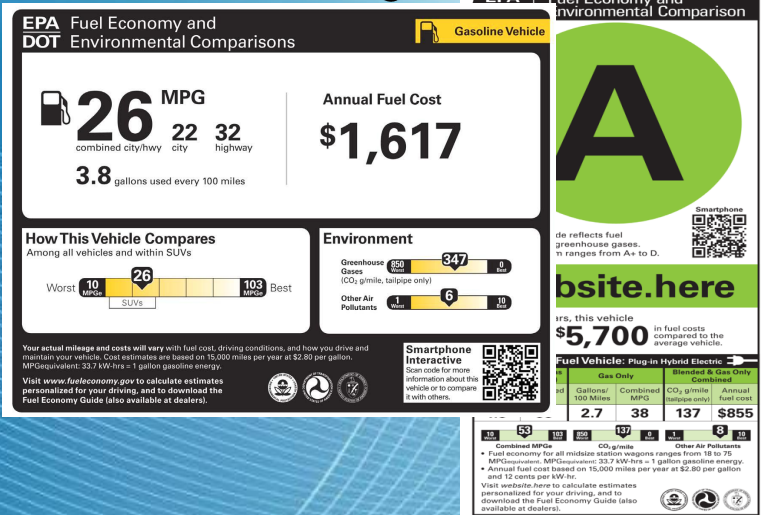
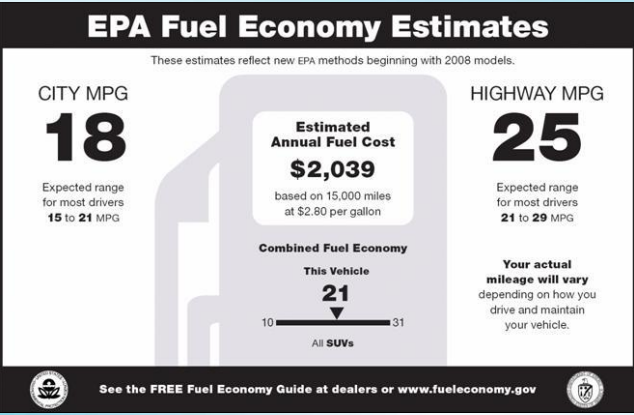
Advanced Technology Vehicle Labels

Plug-In Hybrid (PHEV) and Battery Electric (BEV)



- Consumers need and desire more data on ATVs versus conventional vehicles (e.g. charging time and range).
- By definition, PHEVs require two distinct sets of data (electric and gasoline fuel sources)
 - The traditional label format more clearly provides this distinction
- While a unique format for a BEV makes sense (electric only fuel source), only one format should be used for all PHEVs to avoid complexity/confusion
 - The data itself will distinguish between PHEV architectures

Key Manufacturer Consideration: Implementation Lead Time



- Once the rule is final, manufacturers will need sufficient lead-time to transition to the new fuel economy format. Significant changes will be required to current processes including:
 - Design and release of new label design
 - IT and Supplier System Integration
 - Cascade to manufacturing facilities and operations globally

- Moving to colored labels adds complexity and may not be value-added for consumers
 - Focus group participants: “black and white format ... ‘clean’ and ‘informative,’ and did not make it look like someone was trying to ‘sell’ them something”



Key Manufacturer Consideration:
Opportunities to Consolidate Labels

California Environmental Performance Label

EPA Fuel Economy Label



FTC Range Label for Alternative Fuel Vehicles

Government Safety Ratings Label

Summary & Conclusions

- Consumers like today's label – they understand the metrics and are able to use the information to make informative purchase decisions that meet their overall needs.
- New statutory requirements and the introduction of new technologies require updated labels – we need to consider what consumers are saying about the relative importance of the different pieces of label data.
- The EPA/NHTSA focus groups provided valuable insight about how consumers shop for vehicles and the type of information that is important to them
 - Vast majority already have a vehicle type in mind and search for info. relevant to those particular vehicles
 - Prominence of city and highway estimates (in mpg) is needed
- The “traditional label” format proposal does a better job of responding to the focus group/consumer feedback while still meeting the new statutory requirements.
- For manufacturers, sufficient lead time is critical to incorporate label changes into IT processes and manufacturing operations.
- Consumers are over-whelmed with multiple labels on vehicles – any opportunities to consolidate similar labels will help.