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STATEMENT OF IRWIN P. HALPERN, DEPUTY ASSISTANT SECRETARY  
FOR POLICY, PLANS AND INTERNATIONAL AFFAIRS, BEFORE THE  
SENATE COMMERCE COMMITTEE ON S. 1903, JUNE 21, 1973.

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to be here today to discuss the important subject of fuel conservation which the proposed legislation addresses.

The automobile is responsible for a very significant part of the total fuel used in the United States. It is estimated that in 1972 highway vehicle fuel use accounted for approximately 75 percent of the energy consumed by transportation in the United States.

Recently Secretary of Transportation Brinegar identified energy conservation as one of the Department's priority concerns for the next year. The Department's pursuit of the energy conservation goal will be along several lines: (1) steps to reduce the amount of fuel used by the surface and air modes of transportation; (2) measures to move the transportation of passengers and freight to the more economically efficient modes, which would result in more efficient use of energy; and (3) research and development of techniques to reduce the fuel consumption of highway vehicles.

While the DOT wholeheartedly supports the bill's objective of conserving the fuel supply of the United States and using those fuel

supplies more efficiently, we oppose enactment of S. 1903 because we believe it approaches the problem in a way that is more complex and inflexible than is desirable. (In addition, it would not address the immediate short-term problem which we all confront).

The bill, as written, would provide for substantial detailed government regulation in the area of motor vehicle fuel economy. We believe it is premature to approach the fuel economy problem by such a procedure as delineated in S. 1903.

Many of the new cars being manufactured today are fuel efficient. The question is to what extent and how soon these fuel efficient vehicles will be built in large numbers and displace the less efficient vehicles that dominate our roads today.

Small cars\* already represent a substantial share of the market. For example, in April 1973, 42 percent of new car sales were small cars, as compared with 34 percent the year before. If small cars continue to capture more of the new car market, as we think they will, fuel efficiency will increase accordingly. For example, if the mix of all vehicles on the road were to change such that cars with fuel economies of at least 22 mpg comprised 50 percent of the auto

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\*Compacts and sub-compacts, including imports.

population, as compared to the 10 percent they comprised in 1970, the fuel savings would approximate 11 percent of total highway fuel consumption.

The market trend, in short, appears headed toward the more energy-efficient cars. This is in the right direction. The problem is we cannot be sure that it is fast enough or will continue. The trend toward more efficient cars may be supported by other variables such as fuel costs, automobile costs and general public awareness of the fuel problem.

Before we would endorse any legislation calling for regulatory authority, we would want to make further progress in the studies we have under way on the trends in the market and examine the form and the extent of any regulatory and enforcement mechanisms that might be employed if warranted. The complexity of the problem -- its interdependent facets and changing nature over time -- makes it premature to enact legislation such as S. 1903. We are not confident that we yet understand the complexities well enough and believe that mandating precise standards and penalties at this time may be counter-productive, given such potentially conflicting national concerns as automotive safety and emissions and considerations of maintaining a healthy balance of payments position.

Now I would like to comment on the testing and information provisions of the bill.

We strongly favor the purpose of section 8 of the bill: to provide buyers with information essential to their making an informed decision. However, we think asking the manufacturers to voluntarily affix this information to vehicles for sale and place it in their advertising is preferable to requiring that they do so. We are confident of the manufacturers' willingness to provide this important information. If that confidence is not borne out, we would then consider mandatory labeling which would require specific legislation.

As you are probably aware, the Environmental Protection Agency is currently evaluating various measures to make automobile fuel consumption data available to prospective buyers and is expected to publish fuel economy data on 1974 model prototypes in October. Federal Departmental cognizance over such testing in the long term remains to be determined, and the DOT may very well be the proper place for this responsibility.

Finally, I would like to emphasize that much can be done at once to contribute to fuel economy. By improving our driving habits -- for example, by slowing down, avoiding sudden starts and excessive braking, and by more conscientious maintenance

practices -- including tune-ups, properly inflated tires -- we can help to ameliorate the problem. We have been striving through public information and through coordinated interagency activities to identify such opportunities for energy conservation and to encourage the widest possible public support. These steps should go far to help ameliorate the near-term problem.

That concludes my prepared testimony, and if the committee has any questions, I'd be happy to answer them.