

Detroit News Washington Bureau

WASHINGTON -- Automakers are ramping up their lobbying efforts ahead of a House debate on fuel economy expected this fall, after failing to act soon enough to stop a Senate bill passed last month that would dramatically increase efficiency standards.

In a pair of e-mails sent last week, the Chrysler Group urged employees and dealers to back an alternative fuel economy bill in the House and prod their elected officials to do the same, especially at Fourth of July events.

U.S. Reps. Baron Hill, D-Ind., and Lee Terry, R-Neb., have proposed increasing corporate average fuel economy standards to 35 mpg for passenger cars by 2022 and 32 mpg for light trucks by 2022.

The Senate bill calls for raising CAFE standards to an average 35 mpg by 2020 for cars and trucks combined.

"The Senate bill undermines several longstanding elements of the CAFE program that balance increasing standards with safety, consumer choice and the continued viability of automobile manufacturing," Steven Landry, Chrysler's executive vice president for sales and marketing, wrote to dealers. "This was obviously not the result we wanted."

The automaker sent a similar message to employees.

"If you see or visit your Representative this week for an Independence Day Parade or other event, ask him/her to support and co-sponsor H.R. 2927, the Terry-Hill bipartisan fuel economy bill," John Bozzella, Chrysler's vice president for external affairs and public policy, wrote in a Tuesday e-mail.

A rival proposal to the Terry-Hill legislation by U.S. Rep. Edward Markey, D-Mass., would require automakers to meet the combined 35 mpg standard by 2018.

The Senate and Markey bills could cost domestic automakers at least \$85 billion, adding as much as \$5,000 to the cost of each vehicle. They could also force automakers to stop selling the largest vehicles, shrink the power of engines and add more hybrids.

Automakers and the United Auto Workers union have endorsed the Terry-Hill proposal, which is tougher than an alternative, promoted by Michigan's senators and others, that failed in the Senate.

"The Hill-Terry bill calls for fuel economy standards that are very challenging, and would require the entire industry to make a giant leap forward," Bozzella said Friday. "However, most importantly, the bill respects the functional differences between passenger cars and light trucks, which is critical to our company and to our customers."

General Motors Corp. and Toyota Motor Corp. are also planning to send letters to employees and dealers urging them to support the Terry-Hill alternative. Ford hasn't decided what it will do, though it is part of the Alliance of Automobile Manufacturers, a trade group that represents automakers, which has endorsed the Terry-Hill bill.

"We've put together some talking points and explanation to our dealers about what we feel is the best solution," Toyota spokeswoman Martha Voss said Friday. "The (Terry-Hill bill) is the best chance for us to achieve a reasonable achievable fuel economy standard that moves us closer to energy security."

Voss said Toyota was considering bringing company officials and dealers to Capitol Hill to urge them to support the alternative.

GM spokesman Greg A. Martin said the company also planned to communicate with its dealers, suppliers and employees "about the implications of extreme CAFE measures." The company also is planning to bring dealers to Capitol Hill.

The Alliance of Automobile Manufacturers is considering another advertising campaign on fuel economy, but with a more positive message, auto officials say. An ad campaign in May made the case that a fuel economy bill could reduce consumer choice, especially in large vehicles.

House Speaker Nancy Pelosi hasn't ruled out considering fuel economy legislation as part of a package of energy measures expected to be considered the week of July 16. But U.S. Rep. John Dingell, D-Dearborn, chairman of the Energy and Commerce Committee, wants to wait until September, and that seems more likely, officials said. It isn't clear whether the Markey or Terry-Hill bills or a different CAFE bill will emerge out of the committee.

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