

Roth: Pushing American ingenuity forward

By [Jim Roth](#), Director and Chair of the Firm's Clean Energy Practice Group. This column was [originally published in The Journal Record](#) on March 20, 2017.



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Two cars leave Detroit at the exact same time, traveling 60 miles per hour, headed to drive through every state in the continental United States over the coming years.

Car A begins and maintains a steady 34-miles-per-gallon fuel efficiency during every year of its journey, while emitting 3 billion tons of carbon dioxide into the atmosphere over eight years. Car B begins year 2017 with 34-miles-per-gallon fuel

efficiency and adjusts upward each year to a level of 54 miles per gallon by 2025, while emitting only 2 billion tons of carbon dioxide during the same eight-year period.

Now unlike those typical rate-time-distance math questions, this presents a more direct question for the American consumer: Which car would you want to own?

For me, and my family's budget, the answer is Car B.

Moreover, perhaps the bigger question, the great unknown with the scenario above that is actually beginning to play out in national politics today, is: Which car will be available for you from an American manufacturer?

That answer seems more likely to be Car A, if "Detroit" gets its way.

The Corporate Average Fuel Economy, or CAFE standards are American regulations, first passed by Congress in 1975 in reaction to the 1973 Arab Oil Embargo. These regulations exist to improve the average fuel economy of cars and "light trucks," including trucks, vans and SUVs, produced for sale in America. The calculations and mathematical formulas for setting the CAFE standards have evolved over time and since 2012, the standards are determined through an inverse-linear formula reflecting the footprint of various vehicles by fleet.

The National Highway Traffic Safety Administration regulates CAFE standards and the Environmental Protection Agency measures vehicle fuel efficiency. Congress specifies that CAFE standards must be set at the "maximum feasible level" given consideration for: technological feasibility; economic practicality; effect of other standards on fuel economy; and need of the nation to conserve energy.

I wish that Congress would actually include a fifth consideration for the "need for American consumers to save money" or at least "need for American ingenuity to be pushed

forward.”

While it's probably true that most American consumer behavior is driven by pure economics, it has also been true that Americans will buy big gas guzzlers unless and until they can't afford the largesse of that vehicle's gas consumption. And the same is true, that many Americans will search out cars in the market that meet their budget-conscious needs too, as has been evident in the past decades as Japanese imports with higher fuel economy, better safety records and less maintenance costs began a strong foothold into the American market. Meanwhile, most American car manufacturers fought innovation and regulation, including fighting early versions of electric cars. I'm old enough to remember that was the first time that Detroit needed a taxpayer bailout.

So please pay close attention to the “Detroit 3” asking the president to reopen the new 2016 “Midterm CAFE Standards” and whether their reasons are to benefit the consumer or themselves. And although the 2025 model year target of 54.5 miles per gallon may seem tough, there is no doubt that the increasing fuel efficiency standards are a direct benefit to your families' bottom line, to our collective energy and national security and to the arc of American ingenuity.

Lets' not take our foot off the accelerator now.

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