



Column / Driving Forces

**Keith Naughton**
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Damien Donck for Newsweek

## Naughton: Can Detroit Go Green?

**Spurred by a Supreme Court ruling this week, environmental activists are stepping up pressure on carmakers to cut down on CO2 emissions. Will Detroit get the message? Backstage at the auto show.**

**WEB EXCLUSIVE**

By Keith Naughton

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April 6, 2007 - Inside New York's massive Javits Center this week, the world's automakers took the wraps off shiny new cars for hundreds of automotive reporters gathered from around the globe. But outside, in a cold downpour, a pair of environmentalists in mountain-climbing gear scaled the front of the steel and glass building and hung a banner criticizing a major automaker for its gas-guzzling ways. The 15-by-20-foot banner hung on the building for 35 minutes before police arrested the protesters and pulled it down. Who was the target of these "eco-warriors?" Toyota. That's right, the makers of Prius, who have had such a good ride lately as the top seller of gas-electric hybrids. That's all changed, though, now that Toyota is selling a big new Tundra pickup that gulps a gallon of gas every 17 miles. The banner from the Freedom From Oil activist group showed the Tundra slicing through the planet and made a sly play on its ad slogan, "The truck that's changing everything." The enviros edited the last part to read: "Toyota: The Truck That's Changing the Climate." Toyota, which just received a good green report card from the Union of Concerned Scientists, says the protestors don't have their facts straight. But the activists contend the Prius doesn't give Toyota a free pass. They saved their cruelest cut for the line they stuck at the bottom of their banner: "Toyota: Not an Environmental Leader."

In green circles, it's open season on carmakers—now that the Supreme Court has ruled that the Feds have the right to regulate the gases that cause global warming. The ruling, which came Monday, hung over the auto show as nervous execs tried to explain how they would live with a ruling that they fought so hard against—a ruling that paves the way for much tougher gas-mileage regulations. "The Supreme Court ruling is the law," said Mark Fields, chief of Ford Motor Co.'s U.S. operations. "And we'll obviously abide by the law." Those laws, though, could be changing soon. California already has enacted tough legislation (which Toyota and other automakers are trying to block in court) that would reduce global-warming gases from cars and trucks by 25 percent to 34 percent within a decade. And now the Environmental Protection Agency has the green light to come up with its own global-warming regs, which could require a huge increase in gas mileage of up to 35mpg, from the current average of 24.6mpg for cars, minivans, SUVs and pickup trucks nationwide. Despite all the hype about hybrids, automakers

are still churning out plenty of guzzlers, such as the 540-horsepower Shelby GT500KR Mustang Ford unveiled at the auto show. Improving mileage is key to curbing global warming because the more gas you burn, the more your tailpipe spews carbon dioxide, the leading culprit in overheating the planet. "It's time for auto makers to stop telling us what they can't do," says Sarah Connolly, codirector of the Freedom From Oil campaign, who said their two protesters were charged with disorderly conduct and released. "It's time for them to start filling America's streets with fuel-efficient vehicles."

The high-court loss has left automakers in a defensive crouch. Reducing CO<sub>2</sub> is a much tougher engineering challenge, they argue, than they faced in the 1970s, when General Motors responded to new pollution laws by inventing the catalytic converter to scrub smog-forming gases from automotive emissions. "CO<sub>2</sub> is a natural process of combustion," said GM Vice Chairman Bob Lutz. "Anybody who thinks the auto industry will invent some kind of device to eliminate CO<sub>2</sub> is dreaming." Fields contends that carmakers can't fight the battle against global warming alone, suggesting other industries, like utilities, need to share the burden. "This is not just an automotive issue," says Fields. "We only contribute 20 percent, one fifth, of the CO<sub>2</sub> levels. There are other parts of the economy that make up the other 80 percent." Lutz, an ardent opponent of federal fuel-economy rules, still seems to be making the argument that failed the automakers in court—that global-warming gases are not pollution. "Anybody who exhales is polluting like mad," said Lutz. "If we have CO<sub>2</sub> limits, I think we should all contribute. We're all going to have to train ourselves to breath fewer times per minute."

The inconvenient truth confronting carmakers, though, is that they'd better adapt to the new reality or risk getting run over by regulators. The best scenario, actually, is for the EPA to drive the new rulemaking rather than leaving it to each individual state to come up with a patchwork of laws that would require automakers to potentially engineer 50 different versions of every car they make. Automakers now have motivation to work with their federal rulemakers because the Bush administration, despite showing indifference to Detroit in the past, now appears more likely to go easy on new gas-mileage standards. "They'd better make a deal now," says veteran auto analyst John Casesa, "while Bush is still in office."

There's still tension, though, between Detroit and the president, despite his recent round of photo ops and factory tours with car bosses. Detroit execs take issue with Bush's call for a 20 percent reduction in gas consumption over the next 10 years. Such a dramatic reduction would not be possible even if every new car were a hybrid, Lutz contends. And installing expensive gas-electric systems would add \$4,000 to \$5,000 to the cost of every car, he warns. "That's a demonstrably unaffordable solution," says Lutz. "We don't see a way of getting to the full boat of a 20 percent reduction" in gas consumption." The Union of Concerned Scientists castigates Detroit's "can't do" attitude and claims to have come up with a new minivan that meets California's strict new global-warming regs. The environmental group says they used off-the-shelf technology, like engines that run on ethanol, and shut off cylinders at high speed to save gas, which only added \$300 to the price of the minivan. Lutz's response: "I don't know if they're concerned, but they're definitely not scientists."

The hard reality for automakers, though, is that it's not just enviros who are pushing for better gas mileage. Car buyers, wary of volatile pump prices, are embracing fuel sippers. Last month, sales of the 60mpg Toyota Prius more than doubled, making it the seventh-best-selling car in the country. That's in spite of the fact that a \$23,000 Prius is priced almost \$3,000 more than a Toyota Camry, America's No. 1 selling car. SUV sales, meanwhile, remain in free-fall. Karen

## RAINFOREST ACTION NETWORK NEWS ARTICLE

Cease recently parked her Porsche and started driving a Prius. “It was time to get back to basics,” says Cease, 53, a retired Hollywood studio exec. “I didn’t want anything flamboyant, just something that gave me good gas mileage and would last forever. I thought the hybrid would be an important thing to do for the environment.” As more buyers shift to green cars and Washington gears up to boost mileage regs, automakers better get ready for a big overhaul in their lineups.

With Tara Weingarten

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