

GRIDLOCKED

Invention and innovation launched the automobile industry's rise to power. Yet one of our most reputedly advanced industries has not lived up to its responsibility to clean up its products and reduce risks to our health, environment and national economy. For decades, the auto industry has fought environmental and safety standards tooth and nail, but that intransigence has cost them. Emerging clean vehicle technologies are carving a niche in the highly competitive market, driven by foreign car companies. Will domestic automakers seize the opportunity to reinvent and revolutionize the industry, or will they fail the American consumer, offering only business-as-usual tactics that leave them with no way out?

Lack of Vision

Time and time again in the 1950s, 1960s, 1970s, and through the 1990s, the automakers said, “we don’t have the technology,” “it’s impossible,” “we don’t have the money,” “we don’t have the engineers,” “we’re at a competitive disadvantage,” “jobs will be lost,” “it will take ten years,” “we can’t change our models that quickly,” “it will be too disruptive,” “it will make cars unsafe,” etc. Yet this is an industry that once never shrank from technological challenge, an industry filled with capability and dynamic leaders; CEOs of action and “can do” engineers ready to tackle any problem.

–Jack Doyle, author, [Taken for a Ride: Detroit’s Big Three and the Politics of Pollution](#)¹

“Last year and the year before, a lot of people felt hybrid technology was a tree-hugging fad. Well, that debate is over. It’s a transforming technology.”

–Mike Jackson, CEO, AutoNation dealerships, 1/11/05²

“Over the past 50 years, there is a consistent pattern of technological negligence and delay on the part of, in particular, the U.S. automakers. Part of the problem is the internal combustion engine – this 100-year-old technology is 87 percent inefficient. It is antiquated technology that the auto industry has been clinging to for far too long.”

–Jack Doyle, author, [Taken for a Ride](#), 1/6/05³

“If this [hybrid] technology really succeeds, in five years we’ll just consider it an [engine] option. That’s what really scares a lot of people in the industry...because they’re not ready.”

–Jim Hall, auto industry analyst, 10/18/04⁴

Missing the Boat

In a survey of more than 1,000 people, nearly two-thirds worry that Japanese and other foreign automakers are pulling ahead of their U.S. counterparts in alternative-fuel technology.

–Civil Society Institute survey, 3/17/05⁵

“We missed the boat. We business-cased [hybrids], took a hard, analytical look and thought the engineering and investment were irresponsible.”

–Bob Lutz, vice chairman, General Motors, 1/12/05⁶

If buyers demand hybrid technology at the same pace they did when air bags and anti-lock brakes were first introduced, cars equipped with hybrid engines could make up 20 percent of the overall car market by 2010 and 80 percent by 2015.

–Booz Allen Hamilton study, 7/04⁷

Of the top 10 advanced automotive technologies, consumers most want enhanced fuel economy in their next vehicle. “There is very intense consumer demand for enhanced fuel economy technologies, such as hybrid vehicles, clean diesel technologies and eventually the fuel cell option.”

–Scott Upham, senior vice president, Harris Interactive automotive & transportation research, 12/8/04⁸

One of the few things rising faster than gas prices is – not coincidentally – sales of hybrid vehicles in California. More than 25,000 new hybrids were registered in the state in 2004, a 102 percent increase over 2003. The national figure was 81 percent, according to figures released today by R.L. Polk & Co.

–San Jose Mercury News Wire Services, 4/25/05⁹

“84,000 hybrids were sold in the U.S. in 2004. We expect 220,000 will be sold in this year and 500,000 a year in 2008.”

–Anthony Pratt, JD Power and Associates, 1/11/05¹⁰

Market Share Losses

“The Big Three Japanese are taking share from the Big Three U.S. automakers. It’s been going on a long time, and it’s a steady march.”

–Robert Hinchliffe, auto analyst, UBS Securities in New York, 1/5/05¹¹

The share of the U.S. auto market held by the traditional Big Three fell to 58.7 percent in 2004, an all-time low. Asian automakers, topped by Toyota, now control 31 percent of the American market.

–Autodata automotive research firm, 1/5/05¹²

Many industry analysts predict Toyota will soon pass DaimlerChrysler to join the ranks of the U.S. Big Three. In the global market, Toyota has already eclipsed Ford as the world’s second-largest carmaker and at its current pace could overtake General Motors in the No. 1 slot within the next two years.

–Fortune Magazine, 1/24/05¹³

¹ Jack Doyle, Taken for a Ride: Detroit’s Big Three and the Politics of Pollution, New York: Four Walls Eight Windows, 2000, p.8.

² Automotive News: *AutoNation CEO calls hybrids 'transforming technology'*, 1/11/05

³ KCRW - Which Way, LA? With Warren Olney: *Green Car Technology*, 1/6/05

⁴ Christian Science Monitor: *New cars on a low-fuel diet*, 10/18/04

⁵ Civil Society Institute survey: *American views on Fuel-Efficient Automobiles and a Federal 40MPG Standard*, March 17, 2005

⁶ Automotive News: *High-performance cars muscle in to find a niche*, 1/12/05

⁷ Booz Allen Hamilton: *U.S. Refining Trends: The Golden Age or the Eye of the Storm?* July 2004

⁸ Automotive News: *What car buyers want most: Surprise – it's fuel economy*, 12/8/04

⁹ San Jose Mercury News: *Sales of hybrid cars sizzling in California*, 4/25/05

¹⁰ USA Today: *Alternative-fuel vehicles star, but wide use is miles away*, 1/11/05

¹¹ Automotive News: *Big 3 market share dips to all-time low*, 1/5/05

¹² Associated Press: *Big Three get caught in low*, 1/5/05

¹³ Fortune Magazine: *Toyota Full Speed Ahead*, 1/24/05