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5/28/2014  
Comment Paper

**“Fuel Economy Guide, R711008”**

To Whom it May Concern:

The Federal Trade Commission (FTC) issued the Fuel Economy Guide in 1975. The regulations under this guide are set out in code 16 of the Federal Regulations Part 259. ([www.gpo.gov/fdsys/pkg/CFR-2012-title16-vol1/pdf/CFR-2012-title16-vol1-sec259-1.pdf](http://www.gpo.gov/fdsys/pkg/CFR-2012-title16-vol1/pdf/CFR-2012-title16-vol1-sec259-1.pdf).) These regulations were issued to prevent unfair and/or deceptive fuel economy advertising for new automobiles. The commission is seeking comments on possible amendments to the guide, now that the Environmental Protection Agency (EPA) has edited there fuel economy labeling requirements, and the FTC's alternative fuel rule is complete. The commission is seeking comments on two different issues: A. General Matters for the Guide Review and B. Types of Fuel Economy Claims. This comment paper will only cover certain sub issues under main issues A and B.

**A. General Matters for the Guide Review**

As for the changes related to the guides definition section that the Commission plans on amending it's a great idea to make sure every definition is consistent with those in the EPA's current fuel economy rules. Since the guide wants to require that car manufactures identify EPA as the source of the fuel economy ratings used in their advertisements, the amendment to the definitions will benefit consumers researching EPA economy ratings before purchasing a

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new car. One of the benefits to the consumers will be the change from Miles Per Gallon (MPG) to fuel economy. Most consumers don't know that MPG is the same as fuel economy, which allows car manufactures to make their advertisements very deceiving. The guide will also be helping car manufactures by amending its definition of "new automobile". This is because the definition will be reduced in length to reduce confusion, which will allow all car manufactures to know exactly what is considered a new automobile under the Guide and the EPA labeling requirements since the definitions will now be identical.

The commission's proposal to change the format of the guide to include specific sample claims, and detailed examples will be a great benefit for manufactures. Most studies show that people learn and understand something much better after visualizing it in multiple times and in multiple ways. (Annie Paul, [The Best and Worst Learning Techniques](http://ideas.time.com/2013/01/09/highlighting-is-a-waste-of-time-the-best-and-worst-learning-techniques), (January 9, 2013) <http://ideas.time.com/2013/01/09/highlighting-is-a-waste-of-time-the-best-and-worst-learning-techniques>). So if the Commission amends the Guide by inserting multiple sample claims, then the amendment will be a real benefit because manufactures will be able to understand the regulation much better by seeing multiple examples of what fuel economy advertisements should or should not include. After doing some research the Guide should feature claims mostly dealing with advertisements that failed to show accurate ratings for mileage in

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the city and on the highway. (Harvey Rosenfield, Hyundai-False Advertising of Miles Per Gallon, <http://www.consumerwatchdog.org/case/hyundai-false-advertising-miles-gallon-mpg>.)

### B. Types of Fuel Economy Claims

The Commission seeks comment on several different advertising issues, but this comment paper will only cover a few of those issues. First, the Commission wants to know whether general fuel economy claims should be accompanied by a specific MPG disclosure to prevent consumer deception or unfairness. My answer to this question would be yes. Consumers are very gullible and could be convinced about things really easy when it comes to advertisements on a topic they don't know much about. In the past few years Ford and Hyundai were sued by consumers who purchased their cars because of the supposed fuel economy the car could get on the highway and the city according to the advertisements that were shown on TV. (Judy Dogan, Consumer Watchdog Calls Elanatra MPG Claims Deceptive, Urges Company to Pull 40 MPG Claim from Ads, <http://www.consumerwatchdog.org/newsrelease/consumer-watchdog-calls-elantra-mpg-claims-deceptive-urges-company-pull-40-mpg-claim-ads>.) These

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advertisements were more than just a general fuel economy advertisement and were still found by courts to be deceptive and unfair. (Judy Dogan, Consumer Watchdog Calls Elantra MPG Claims Deceptive, Urges Company to Pull 40 MPG Claim from Ads, <http://www.consumerwatchdog.org/newsrelease/consumer-watchdog-calls-elantra-mpg-claims-deceptive-urges-company-pull-40-mpg-claim-ads>.) So if advertisements that include fuel economy ratings can be deceptive and unfair there is no reason for the Guide not to enforce car manufactures to include fuel economy ratings with general advertisements, which could easily be deceptive and unfair by simply saying, "XYZ gets great gas mileage". Second, the Commission wants to know whether an advertisement should include only one type of mileage rating, such as city or highway or both. My answer to question would be both. Every advertisement should include fuel economy ratings for both city and highway. The reason for this is that statistics show that most people drive 55 percent of the time in the city and 45 percent of the time on the highway. (John O'Dell, Why Real World MPG Doesn't Match EPA Ratings, (March 29, 2012) <http://www.edmunds.com/fuel-economy/heres-why-real-world-mpg-doesnt-match-epa-ratings.html>.) Since driving time is almost evenly split between highway and city for most people, every advertisement should include fuel economy ratings for both highway and city so that consumers are able to evaluate the difference between fuel economies in new automobiles a lot more

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accurately. Another reason I say yes is because the difference between U.S. rated fuel efficiency and real-world gas mileage jumped from 20 percent to 35 percent from 2001 to 2012. (Stephen Edelstein, [FTC Considers Changes to Rules on Carmaker Claims for Fuel Economy](#), (May 6, 2014) [http://www.greencarreports.com/news/1091870\\_ftc-considers-changes-to-rules-on-carmaker-claims-for-fuel-economy](http://www.greencarreports.com/news/1091870_ftc-considers-changes-to-rules-on-carmaker-claims-for-fuel-economy).) Third, the Commission wants to know if fuel economy advertisements containing MPG claims should identify EPA as the source of the ratings. My answer to this question is it depends. I say depends because according to fueleconomy.gov no test can accurately predict fuel economy for all drivers and all driving conditions. (U.S. Department of Energy, [Frequently Asked Questions](#), [www.fueleconomy.gov](http://www.fueleconomy.gov).) So EPA ratings from EPA test may not be accurate so they may not always match the ratings the advertised by the car manufacturer since no test can accurately predict fuel economy.

All in all the regulations that the FTC plans to amend in the Guide will only benefit car manufactures and consumer more then hurt them. So I would give the go ahead for all amendments listed in this article.

Sincerely,

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