

As gas prices fall, will we go back to guzzling?

Dan Rodricks

September 9, 2008

So at what point, as the gas prices fall and maybe even stabilize, do Americans consider buying SUVs again? I know it sounds crazy - that common-sense adults would go back to the fuel-sucking SUVs, with the price of gas floating between \$3 and \$4 a gallon, the economy stumbling, unemployment rising, the national debt growing and a cloud of uncertainty overhead. But it could happen. It's happened before.

I don't completely trust the assertion that Americans finally have seen the light - that we can't keep consuming oil at the rate we have been. A recent USA Today/Gallup survey indicated that only 14 percent of likely voters listed energy as the main influence when picking a presidential candidate. [John McCain](#) got a bump-up in polls when he started talking about more offshore drilling for oil, and another after putting the drill-the-Arctic-National-Wildlife-Refuge governor of Alaska on his ticket. The Republican credo - the one [Barack Obama](#) has to worry about - is three words: "Drill, drill, drill." So I'm suspicious of assertions that Americans have finally seen the light - that the days of the [Hummer](#) are behind us and that more consumers now bring a strong sense of green to their motor vehicle choices. Is it all just wishful thinking?

I asked [John Davis](#), longtime producer and host of MotorWeek, the road-test series that originates from Maryland Public Television and just entered its 28th season. In rating cars this fall and winter, Davis' show will be putting even more emphasis on vehicle technology, fuel efficiency and environmental qualities. "My overall feeling is that Americans will probably fall out of love with subcompacts if fuel prices come down, just like they did before, but not as totally," Davis says. "August car sales looked horrible but actually were better than expected, and sales for trucks and big SUVs showed signs of some rebound and actually drove [Nissan](#) to a gain for the month. But they were the exception. Also, prices for used SUVs and pickups look like they have bottomed. So gas prices mean a lot."

I've been in the compact/subcompact market for the first time in many years and, with the exception of [Toyota](#) Corolla, [Honda](#) Civic, Honda Fit and the Mazda3, I found fuel-efficiency generally disappointing. Call me crazy, but I expected more. I bought a tin-box Corolla in 1976, between the two major fuel crises of that decade. It was reliable and it sipped gasoline, running in the high-20s/low-30s miles per gallon. I assumed that, by now, Japanese manufacturers would have figured out a way to nail 40 to 45 miles per gallon in most of the compacts and family-size cars they produce. But many small cars rated in the 20s for miles per gallon, and the Japanese seem to have just catered to American tastes rather than setting trends as they used to. I expected more progress in the 10 years since my last Toyota and certainly in the 32 years since my first.

Still, the compact and subcompact market offers more than ever before, according to Davis, who has been watching a lot closer than I have.

"I love them," he says. "They are not tin boxes intended only to get better mileage, like in the 1980s. They are well-built, extremely safe, have very high-tech engines, are fun to drive, and are remarkable

packages of interior space and storage capacity, given their small size. Some subcompacts today have more interior passenger room than mid- and full-size cars of a generation ago. That is because most are very tall [with] high-strength steel and other metals that allow for stronger structures that use thinner materials and leave more interior space.

"I think the subcompacts will have a longer run of favor due to the fact fuel prices will not come down to where they were two years ago, and that the small cars are now so good. Plus, new mileage rules will force all cars to get lighter, smaller and more exotic engines like hybrids."

Adds Davis: "I think every American household should have a small, fuel-efficient subcompact, a four-door sedan or more versatile five-door hatchback, for city and urban use."

That, he says, will keep your SUV or minivan in the driveway until you need it for a trip with lots of cargo and multiple passengers.

"[Smart](#) buyers are now able to buy big vehicles, often referred to as crossover vehicles - the [Buick Enclave](#), Toyota Highlander, the new [Ford Flex](#) - that return 22 to 24 mpg at highway speeds, which is worlds better than 14 to 16 [mpgs] of big SUVs like Chevy Tahoe and Ford Expedition," he says. "Plus, more and more crossovers will go hybrid - Highlander is already there. They are costly, but that will come down. There should be a growing demand for the hybrid transmission systems made at the GM plant in Baltimore County."

The hybrids and electric plug-ins are exciting. But there are not enough to meet demand these days. In looking into the possibility of a Toyota [Prius](#), I found the market tight, with long waits for delivery, and prices headed to the high side. One too-busy-for-me salesman e-mailed tersely: "The wait is about 6 months, and the price is from 24-31k."

Says Davis: "Less than a year ago, dealers had more Priuses than they could sell. [Toyota] will have more and more competition - a new Honda Insight hybrid arrives next year, a larger hybrid sedan at Ford, the Fusion Hybrid, and so on. So, hybrids will eventually be very common and more and more competitive in price. They are here to stay."

I assume they wouldn't build them if they didn't think they could sell them. Maybe this isn't wishful thinking, after all.

Dan Rodricks can be heard on "Midday" on Mondays through Thursdays, noon to 2 p.m., on 88.1 WYPR-FM.