

Eco-Energetic Labelling of Vehicles and Incentive Programs

**Research report by Union des consommateurs
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In today's context of growing environmental concerns and new efforts to reduce our dependence on oil, governments have been trying to establish programs and various measures (financial and other) to raise the awareness of consumers, or at least lead them to make more responsible decisions regarding vehicle eco-efficiency.

Are consumers sufficiently informed to buy a vehicle that would respond to environmental concerns? What resources can they rely on to help them make choices? Will the current labelling system actually help consumers take environmental and energy data into consideration ?

The risks of global warming have been officially acknowledged for about ten years. Governments have invited citizens to mobilize individually to influence our collective production of greenhouse gases. However, the results of this approach have been very modest, as shown by the One-Tonne Challenge.

The present study has taught us that, despite the theoretical models developed by economists, consumer behaviour at the moment of choosing a vehicle, or of using or not using it, is not rational. This comes as no surprise since our culture, urbanism, economy and perceptions have been diverted by the automotive industry and its marketing for at least two generations.

The automotive industry already has the technological solutions that would enable Canadian motorists to benefit from vehicles with superior eco-energetic performance. However, the technological advancements of the past few years have mainly served to increase vehicle weight and power, rather than improve eco-efficiency. In an attempt to make manufacturers produce more eco-efficient vehicles, the last federal budget put a rebate in place for certain less energy-consuming vehicles, as well as a "green levy" on high fuel consumption vehicles. Certain provinces offer a sales tax rebate on eco-efficient models and an annual registration surtax on high fuel consumption ones.

Public expectations are probably still not clear enough to impose a change in the vehicle offer. In tandem with government incentives and penalties, it is important to inform consumers so that they cannot but consider the eco-efficiency data of vehicles and their impact on the environment as well as their pocketbook. It is also important to make deprogramming efforts now so that consumers may re-evaluate their values and behaviours regarding automobiles, in order to counter the effects that auto advertising has had on our perceptions, individually and collectively, of individual transportation.

Using a labelling system created for this purpose, the consumer could be informed, when choosing his next automobile, about its fuel efficiency (or inefficiency), its greenhouse gas emissions, and the effect certain options could have on its fuel consumption and on the environment, as well as the costs entailed by those options. Paired with tax rebate programs, eco-energetic labels could have a very educational effect, possibly changing attitudes and bringing consumers to make more responsible choices. To be fully effective, these programs

would have to be carefully planned, and standards for label form, content and display would have to be imposed on the companies.

The report reviews many initiatives and programs recently launched all over the world to encourage consumers to choose eco-efficient vehicles, and lists some of their strengths and weaknesses, as well as those of the Canadian government's incentive program. It suggests certain structures to help with the design of more effective and equitable incentive programs.

Finally, the report questions the role advertising should play in promoting driving safety, ecological vehicle use and vehicle eco-efficiency.

The report concludes with many recommendations, such as:

- the design of a new labelling system based on the best foreign practices;
- a review of tax rebate eligibility criteria, to ensure their equity and guarantee that incentive programs don't encourage consumers to buy more powerful vehicles;
- the creation of a study group to examine advertising issues, and eventually establish a code of ethics or other guidelines for automobile advertising;
- the creation of many other incentive programs;
- impact studies to prevent fairness problems between different programs, or tax adjustments to compensate for such problems.

Ce résumé est également disponible en français.