

# The Courage to Fight, but Not to Tax

By Warren Brown  
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NEW YORK Michael J. Jackson is chairman and chief executive of AutoNation, the largest automotive retailer in the United States. He has been selling cars and trucks, in one capacity or another, for 40 years.

That personal history should make him a dealer's dealer, a hero among the men and women who have invested lives and fortunes in the always challenging business of moving the metal from showroom floors to consumers' driveways.

Instead, for the past 10 years, Jackson has been something of a pariah -- "the lonely man in the crowd," one of his associates said.

Jackson has been calling for higher federal taxes on gasoline. That could increase the operating costs of the vehicles he and other dealers sell. Most dealers don't like that. To them, higher costs mean lower sales.

Jackson also wants something else -- an easily understood vehicle labeling system to help steer consumers toward the most fuel-efficient vehicles at AutoNation's stores.

Beginning April 10, AutoNation will launch its E-Vehicle program. The idea is to promote greater consumer awareness of cars and trucks available online and in stores that have the best fuel efficiency. E-Vehicles must get at least 28 miles per gallon, or deliver at least 10 percent better fuel efficiency than the average for their vehicle class.

Qualifying vehicles will be identified with a green leaf logo. A yellow leaf logo will be assigned to models capable of running on ethanol or other biofuels.

Jackson acknowledged that "most fuel-efficient" usually means less profitable in an America still awash in cheap gasoline. That is one of the reasons he wants a higher federal gasoline tax -- to help increase consumers' perception of the value of fuel-efficient cars and trucks and, thus, their willingness to pay for them; and to reduce consumer demand for greater horsepower and speed, which consume more fuel.

"I see what happens every day on the showroom floor," Jackson said in an interview last week at the 2007 New York International Auto Show. "People come in to buy a fuel-efficient car. But they wind up giving up one that has a five-miles-per-gallon advantage in favor of another that has better designed cup holders." Something similar happens with gas-electric hybrids, Jackson says. "Sixty percent of our customers, when asked, say they are considering a hybrid. But when it comes to actual purchase, only 1.5 percent of them wind up buying the hybrid."

In an era of cheap gasoline, "only a few customers, usually those with enough money to demonstrate their commitment" to the environment, American energy independence or some other equally altruistic goal, are willing to pay a price premium for gas-electric hybrids, Jackson said.

"As long as people can afford it, most will go for more power and speed. Many minivans we sell today are faster than the sports cars we sold 13 years ago," Jackson said.

A walk around the sprawling Javits Convention Center, where the Auto Show is under way until April 15, proves his point. Cars with 200-horsepower engines are commonplace. General Motors, which suffered opprobrium for having the temerity to introduce a Hummer H3 with a relatively small 242-horsepower, in-line five-cylinder engine, is now offering one with a more powerful 5.3-liter, 293-horsepower V-8. Toyota, which has enjoyed a "green" reputation because of its gas-electric hybrid Prius car, is flexing its big-horsepower muscles with its Tundra CrewMax pickup truck.

Jackson says he does not want to limit consumer choice. He just wants consumers to start paying the real costs of what they choose.

"The wars in the Persian Gulf, Afghanistan and Iraq changed everything," Jackson said, explaining his turnabout from "moving the metal" at any cost to becoming a crusader for an energy-independent America.

"We're fighting for oil," Jackson said. "If we have the courage to send troops to fight and die over this issue, we ought to have the courage to do the right thing and raise gasoline taxes to help move consumers away from oil."

There is evidence that Jackson nowadays might not be as alone in preaching that gospel as one of his associates suggested. I also spoke with Dave McCurdy, president and chief executive of the Alliance of Automobile Manufacturers, which represents all of the domestic automobile companies and several of the large foreign car makers, including Toyota.

"A higher gas tax probably would be the most equitable way" to help move America away from oil, McCurdy said. But he said there is "no political will" in the White House or in the Democratic-controlled Congress to take that action, especially during an election season.

"It's not doable," McCurdy said. "But if someone did it, I don't think too many car companies would complain."

But Jackson, ever the visionary, believes a higher gas tax is doable. "I talk to consumers every day," he said. "They are way ahead of Congress in their thinking on this issue."

According to Jackson, consumers would support higher fuel taxes with the following assurances:

? That money generated by higher fuel taxes would not go into the government's general fund to be squandered by lawmakers on pet projects.

? That money from higher fuel taxes would be used to promote the development of alternative fuels and propulsion system.

? That the government would offset higher gasoline taxes with reduced taxes on ultra-low sulfur diesel fuel, which produces lower emissions than traditional diesel fuel and is 30 to 35 percent more energy efficient than gasoline.

? That any gas tax be used to lower or eliminate economic barriers to the development of alternative fuel systems.

It's a courageous, worthwhile proposal, one that Congress and the White House should consider. After all, Jackson has a point: The White House, with congressional assent, had the courage to send American troops to Iraq to fight for oil. Now, the Democratic-controlled Congress supposedly is demonstrating courage by fighting with the White House over the bad White House decision that most Democrats had once approved.

Inasmuch as most of our national politicians, at one time or another, had the courage to expend enormous amounts of America's human and financial capital in pursuit of oil, why can't any of them stand up now, election season or not, and announce that we will do whatever is necessary, including the imposition of higher gasoline taxes, to help move us away from oil?

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