Why American cars are so big

A regulatory loophole that incentivised sales of big vehicles is about to be tightened

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AMERICANS LOVE to super-size—and not just their fast food. They favour huge sport-utility vehicles (SUVs) and pickup trucks over small cars. Some 8.7m hit the road in 2023, accounting for more than half of all sales of new vehicles, according to JATO Dynamics, a research firm. Although European cars are also getting bigger, American ones still have a comfortable lead: in 2022 the average car sold in America weighed 1,857kg, almost 20% more than the average in Europe. Wide roads and big parking spaces accommodate this preference for hefty rides—and so does the law. But a loophole that for nearly 50 years has incentivised sales of big vehicles will soon be tightened. Will that lead Americans to buy smaller cars?

In 1973 oil-producing Arab countries cut shipments to America to punish it for supporting Israel in the Yom Kippur war: sharp increases in fuel prices, long queues at petrol stations and a deep recession followed. In 1975, in response to the crisis, the federal government imposed fuel-economy standards on carmakers. By 1985 all new models would have to reach 27.5 miles per (American) gallon (11.7km/litre), up from an average of 13mpg. Today the law mandates 40mpg. To increase efficiency, manufacturers had to use more complex engines, which made their cars costlier. To ease the burden on small businesses that relied on big vehicles, the government exempted "light trucks", any vehicle that could be used off road and weighed less than 8,500lb (3855kg). That meant SUVs—typically among the biggest and least-efficient cars—were swept into the category and avoided the new fuel standards.

Because making light trucks held to lower environmental standards was more profitable than building small clean cars, automakers marketed big models, including SUVs, enthusiastically. They portrayed them as quintessentially American, <u>embodying freedom</u>, strength and adventurousness. By 2002 light trucks made up a bigger share of light-duty vehicle sales than cars. After the price shock of the 1970s, by the 1990s petrol had become cheaper in America than in other rich countries—so the cost of running a big car did not deter buyers. Such models are convenient for suburban living, and consumers see them as safe. Even when buying cars that are not exempt from efficiency standards, Americans favour chunky sedans over small city cars, which made up just 8% of vehicle sales in 2023, compared with 36% in Europe. And although SUVs have a similar market share—a little over half of new vehicles—in both America and Europe, American models are bigger and less efficient.

That has been bad for the climate. Transport is the largest source of greenhouse gases in America, and almost 60% of those emissions come from cars and other light-duty vehicles. It has been bad for the safety of other road users too. Heavier cars are more likely to kill people if they hit them. According to a study conducted at the University of Hawaii, pedestrians are almost 70% more likely to be killed if they are hit by a light truck as opposed to a car.

The rule favouring big petrol-guzzlers is about to change. The Environmental Protection Agency (EPA), which sets limits on cars' emissions, announced in April 2023 that it planned to tighten standards across the board and narrow the definition of a light truck. The agency is due to publish final rules this year. (...) The agency believes that its new rules are so strict that they will speed up the <u>move towards electric vehicles</u> (EVs), so that by 2032 two-thirds of new sales will be electric.

Yet this may make little difference to the size of cars. Many popular vehicles, such as the Ford F-150, would still count as light trucks and continue to benefit from lower efficiency standards, and hence lower costs and prices. And EVs are developing the same weight problem as conventional cars. The EPA does not regulate EVs' indirect emissions, even though heavier models require more electricity to charge, and need bigger batteries, which contain more of the scarce metals used to make those batteries. In 2022 60% of electric-vehicle sales in America were SUVs, according to the International Energy Agency. Regulation alone may not be enough to change the country's taste for super-sized cars. ■

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