



**CNN**money

 **PRINT THIS**

Powered by 

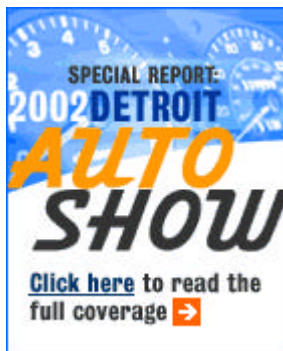
Bush shifts car fuel focus January 9, 2002: 6:28 a.m. ET

**Administration to back fuel cells, ditch \$1.5B efficient vehicle program.**

WASHINGTON (AP) - After nearly \$1.5 billion in subsidies, the Bush administration is ending an eight-year program to help automakers develop high-mileage, family size cars. Instead, it wants to spur the growth of hydrogen fuel cells to power the next generation of motor vehicles.

Energy Secretary Spencer Abraham, addressing an auto show in Detroit, planned Wednesday to tout hydrogen fuel cell development as part of a broader strategy to reduce the country's dependence on foreign oil and help the environment by reducing carbon dioxide emissions and other automotive pollution.

Department officials said Abraham would be joined by auto executives in unveiling the new program, called "Freedom Car." It is expected to emerge as the Bush administration's response to critics who are calling for a phase-out of gas-guzzling cars and sport/utility vehicles.



Automobile fuel economy is likely to be a major issue when the Senate takes up energy legislation next month. Democrats are calling for the government to require increased auto fuel efficiency, especially as it applies to the popular sport/utility vehicles.

The Energy Department and senior White House policy officials in the Bush administration all along have expressed little enthusiasm for the Partnership for a New Generation of Vehicles, an ambitious government-industry effort aimed at quadrupling automobile fuel economy by the middle of this decade. The department said the new fuel cell program would supersede the new-generation vehicle partnership, which had pushed industry development of hybrid gasoline-electric cars now just entering the market.

The old program had focused industry attention on finding ways to improve fuel economy without reducing car size and zip. Begun in 1993 and championed by the Clinton administration -- especially Vice President Al Gore -- the joint venture between the federal government and the Big Three domestic automakers was seen as a way to put family-size sedans that get 80 miles per gallon into showrooms by 2004.

Using advanced aerodynamics, new engine technologies and lighter composite materials, the automakers in the program developed prototypes of vehicles capable of getting more than 70 mpg, three times better fuel economy than most cars now on the road. But commercial development of large numbers of these cars in the next few years, as once envisioned, was not expected.

Although Abraham supported the program as a senator from Michigan, shortly after he became energy secretary he said the highly touted program had outlived its usefulness because the auto industry was going in a different direction. The administration proposed slashing funding for the program as part of its first budget a year ago.



**GM's concept vehicle will show that fuel cell vehicles can compete with those with traditional internal combustion engines, according to company executives.**

Nevertheless, Congress continued to keep it alive, even as some environmental groups and the watchdog Taxpayers for Common Sense called the program an unnecessary subsidy for the car industry. Instead, the administration intends to focus on speeding up development of hydrogen fuel-cell powered vehicles, a technology that has attracted intense interest in recent years. This new government-industry partnership "will further the president's national energy policy, which calls for increased research in hydrogen technology to diversify and enhance America's energy security," the Energy Department said.

### [Click here to check other auto stocks](#)

It is hoped that the new federal push for development of fuel cells will spur industry efforts to develop motor vehicle engine and power systems that eventually will replace the internal combustion engine. Although several automakers, including [DaimlerChrysler \(DCX: Research, Estimates\)](#), [Ford \(F: Research, Estimates\)](#) and [General Motors \(GM: Research, Estimates\)](#), have said they expect to have fuel-cell vehicles in showrooms within the next four or five years, wide availability of such cars is probably a decade or more away.

A fuel cell produces energy from a chemical reaction when hydrogen is combined with oxygen. The only byproduct is water. In recent years, the cost of fuel cells has dropped sharply. Hydrogen can be produced from natural gas aboard vehicles or pure hydrogen can be used, requiring development of a new supply infrastructure. ■

---

#### Find this article at:

[http://money.cnn.com/2002/01/09/autos/wires/cars\\_ap](http://money.cnn.com/2002/01/09/autos/wires/cars_ap)

Check the box to include the list of links referenced in the article.

**Need to stay on top of the market?**