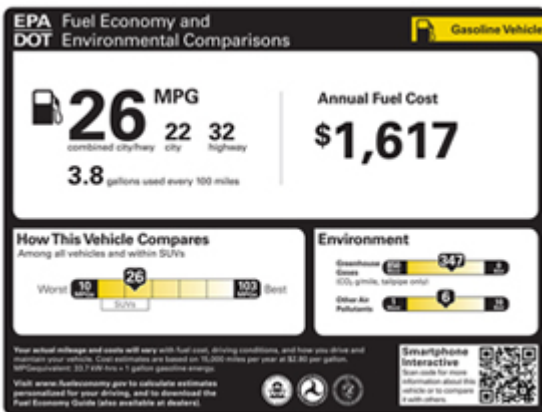




These are the two new label proposals for new cars.



New [labels proposed by the federal government](#)

would give new cars letter grades reflecting their fuel economy and greenhouse gas emissions. Electric cars and plug-in hybrids are expected to get the highest grades. The rule isn't final yet; the public can [comment and make suggestions on the label design](#).

Most of us are familiar with the fuel economy labels that our federal government requires for all new cars. These labels estimate the miles a car owner can expect to drive per gallon

of gasoline, under idealized conditions. While the labels' information is far from perfect, the information does allow consumers to make more informed choices about auto purchases than they would otherwise be able to make. Earlier this week, EPA and the National Highway Traffic Safety Administration announced their proposal for new fuel economy labels for cars starting in model year 2012.

Autoblog.com has developed [projections of how the new labeling system would grade cars](#) currently on the road. For comparison, CNN Money [evaluates the current label and how useful the new labels would be for consumers](#).

The major criticism I've heard of the proposed standards, discussed in the CNN Money article, is that the letter grades will skew consumers' perceptions by making fuel economy more available and salient than all other factors, including safety, reliability, and performance. I haven't thought this through, but given that the agencies have a specific legislative mandate to make fuel economy information available to consumers through labels, I don't think that making these labels more evaluative or robust troubles me at all. If Congress wants labels on cars that reflect these other factors, it's free to require that other labeling, after all.