http://www.huffingtonpost.com/dan-becker/the-brother-in-law-of-all_b_135701.html

The Brother-in-Law of All Bailouts

While the nation's attention was focused on that other bailout, Congress and the President awarded automakers $25 billion in taxpayer-subsidized loan guarantees. The money is supposed to pay for up to 30% of the costs of retooling factories to make vehicles that get at least 25% better gas mileage than similar cars.

But this auto industry salvage package lacks some of the features of the Wall Street bailout. There is no financial equity for taxpayers, no CEO pay caps. And there is no requirement that automakers improve their fuel economy beyond the 35 miles per gallon by 2020 that Congress passed over industry objections last year. In fact, there is nothing to prevent automakers from offsetting the taxpayer-funded improvements in one vehicle by making another guzzle more. Indeed to qualify for the money, a company's fleet-wide average need only be better than it was in 2005. Oh, and new companies that want to put advanced technologies into production needn't apply.

When the government bailed out Chrysler in 1980, it required major concessions including giving up fuel inefficient rear wheel drive cars, providing an equity interest in the firm which was later sold for a profit and sale of the corporate jets.

Environmental and auto safety advocates have battled automakers for years as Detroit claimed that they couldn't or shouldn't have to make clean, safe cars that sip gas instead of guzzling it. Should taxpayers be called upon to bail irresponsible auto companies out of their mistakes? Certainly not if they are going to repeat them. But with the ink barely dry on the $25B loan guarantees, auto industry lobbyists and their friends in Congress have already announced that they are planning another $25 billion bailout for next year.

So let's be clear. Not another nickel for automakers without dramatic improvements in fuel economy, emissions and safety beyond current law.

Cutting cars' thirst for gas to average 40 mpg by 2015 will slash both oil addiction and global warming pollution while saving consumers billions of dollars at the pump. Improved fuel economy has a further plus. By transforming their fleet from gas hogs that sit unsold on car lots into efficient vehicles that people want to buy, Detroit won't have to come back shaking its tin cup again.

It is instructive that at the same time that Congress was passing this bailout, the European Union Parliament's Environment Committee voted to require a nearly 50 mpg average by 2015 or sooner. Europe knows that this is auto mechanics, not rocket science: No $25 billion bailout and 15 MPG more to boot.

Hybrids like the Toyota Prius, Honda Civic and Ford Escape are rolling proof that automakers have the technology to make 40 mpg average vehicles. What's missing is the will to act.
The taxpayers who have just invested billions in saving GM, Ford and Chrysler deserve better. When the auto industry comes back for more, Congress must condition such handouts on the production of a 40

mpg fleet that has a 25% lower fatality rate than today's. That would be an investment that would really pay off.