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Automakers push to revive US fuel-economy review

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Washington, 22 February (Argus) — Ford, General Motors, Toyota and other automakers are urging the US Environmental Protection Agency (EPA) to take another look at upcoming fuel-economy standards the agency decided to retain.

The Alliance of Automobile Manufacturers, which represents those companies, has asked EPA to withdraw that decision and revive a midterm review of fuel-economy standards the agency expects would lift the average fuel-economy of a model year 2025 vehicle to 51.4 miles/USG, up from 36.6 miles/USG today.

Under the proposed standards, greenhouse gas emissions would be reduced by model year 2025 to 173g CO₂/mile, down from 221g CO₂/mile.

EPA projects the standards will raise the average cost of a vehicle sold in 2025 by about \$1,100 but provide net savings of \$1,650 because of fuel savings. EPA estimates over the lifetime of the vehicles the rules would create net benefits of \$100bn, cut oil consumption by 1.2bn bl and reduce the equivalent of 594mn tons (540mn metric tonnes) of CO₂.

Automakers have been pushing to relax the existing standards, finalized in 2012, over concerns they will be too costly to achieve and could reduce manufacturing employment. That argument could resonant with President Donald Trump's campaign push to roll back regulations and protect US jobs.

"The [model year] 2022-25 standards threaten to depress an industry that can ill afford spiraling regulatory costs. If left unchanged, those standards could cause up to 1.1mn Americans to lose jobs due to lost vehicle sales," Alliance president Mitch Bainwol said yesterday in a letter to EPA administrator Scott Pruitt.

EPA said it was reviewing the letter.

Former president Barack Obama's administration concluded the midterm review on 13 January and found the 2022-25 standards remained feasible and appropriate, a determination the trade group says was rushed and would benefit from having more data. Environmentalists contend the industry only wants to revive the midterm review so eventually they can seek to weaker fuel-economy standards.

"They do not like the result, so they want to wish it away and create a new set of data," the non-profit Center for Auto Safety climate campaign director Dan Becker said. He disputed industry's claims that the rules could result in 1.1mn lost jobs, which he said would represent more manufacturing jobs than Ford, General Motors and Chrysler have in the US combined.

EPA would need to complete a full notice-and-comment rulemaking if it wants to make changes to the fuel-economy standards. But the midterm review could help develop the data and factual record the agency would need to justify any changes. The Alliance of Automobile Manufacturers says EPA has the authority to revive the midterm review.

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