

# Bloomberg

**Dan Becker, director of the Safe Climate Campaign, says the fact that automakers have complied with the rule in each year since the current tougher standards took effect, despite booming truck sales, underscores how automakers have compliance flexibility.**

**"I think it buttresses the stand of environmentalists to protect standards that are flexible cost effective and save consumers money at the pump," Becker said.**

## Cars Seen Missing U.S. Mileage Targets for First Time Since 2004

*by Ryan Beene*

March 7, 2017, 8:53 PM EST March 8, 2017, 11:51 AM EST

- Regulator report shows U.S. fleet to fall below mileage target
- Results may feed debate over Obama auto-efficiency standards

Cars and light trucks from the 2016 model year will be the first to fall short of U.S. fuel economy targets in more than a decade, according to a new projection released by regulators that will feed a debate over efficiency standards between automakers and environmental groups.

The [National Highway Traffic Safety Administration](#) forecasts that the 2016 models will average 32.1 miles per gallon, below the target of 32.8. The agency forecasts another shortfall in model year 2017 of 31.8 miles per gallon compared to a projected target of 33.

The U.S. fleet has exceeded industrywide fuel economy targets every year since 2004, the oldest data available on NHTSA's website for its Corporate Average Fuel Economy program.

"If this is accurate, it contradicts what prior reports have said about the industry's ability to meet these standards and suggests that it might be more difficult to do," said Stephanie Brinley, a senior analyst at IHS [Markit Ltd.](#)'s automotive group.

The two-page report, dated Feb. 14, was recently posted by NHTSA and is based on preliminary data collected from automakers that the agency cautions hasn't been verified.

"Once a full report is done, we might see a completely different picture," Brinley said.

Dave Cooke, senior vehicles analyst for the Union of Concerned Scientists, also expects a fleet shortfall in 2016 but says automakers have compliance credits built up over exceeding their targets over several years to cover any shortfalls.

Cooke said the data show that automakers have complied with the regulations thus far using less technology than once expected. That strategy is now facing headwinds.

"That says nothing about their ability to meet the regulations," Cooke said in an email. "It simply shows there's a limit to their current compliance strategy, and eventually they need to buck up and actually put that technology out there."

## **Debatable Goals**

The fuel efficiency standards, overseen by NHTSA, the [Environmental Protection Agency](#) and state of California and toughened during the Obama administration, have led to protracted debates about their value and to complaints from automakers that they're difficult to achieve. They also follow [analysis](#) by the EPA revealing automakers [showing](#) fuel economy gains despite booming truck sales.

Auto industry trade groups representing [General Motors Co.](#), [Toyota Motor Corp.](#), [Honda Motor Co.](#) and [Volkswagen AG](#) on Feb. 21 formally asked EPA Administrator Scott Pruitt to revoke the Obama administration's decision to leave intact EPA rules to slash vehicle greenhouse gas emissions through 2025. Eighteen automakers separately petitioned President Donald Trump on Feb. 10 to reinstate a midterm evaluation of the EPA rules.

The Trump administration is expected to reopen a feasibility review of the EPA's greenhouse gas standards for 2022-2025. Automakers have pressed to resume the review, which they argue was ended prematurely by the Obama administration.

## **Annual Targets**

NHTSA's regulations require annual improvements in vehicle fuel economy and set targets for each automaker's passenger-car and light-truck fleets based on vehicle size and the mix of cars and trucks sold each year. Carmakers can use credits earned by selling fuel-sippers that overcomply to cover shortfalls caused by less-efficient models.

Automakers say that's getting tougher amid surging truck sales supported by cheap gasoline. U.S. passenger-car sales fell 12 percent in February, while light-truck sales rose 7 percent, according to Autodata Corp.

**Dan Becker, director of the Safe Climate Campaign, says the fact that automakers have complied with the rule in each year since the current tougher standards took effect, despite booming truck sales, underscores how automakers have compliance flexibility.**

**"I think it buttresses the stand of environmentalists to protect standards that are flexible cost effective and save consumers money at the pump," Becker said.**

NHTSA actual fuel economy data for model year 2015 showed the fleet average rose to 32.2 miles per gallon from 31.7 in 2014, 0.6 miles per gallon better than the target. Automakers have overcomplied by 1 mpg or more in each year since 2011.

"We're committed to improving fuel economy, however the numbers speak for themselves," Wade Newton, a spokesman for the Alliance of Automobile Manufacturers trade group, said of the 2015 figures. "This underscores the challenge of being evaluated based on what consumers buy rather than what automakers produce."

<https://www.bloomberg.com/news/articles/2017-03-08/u-s-2016-vehicles-seen-trailing-fuel-goals-boosting-skepticism>