Dan Becker, director of the Safe Climate Campaign, said that the Trump administration and automakers will ask to ease the standards for model years 2022 through 2025.

While he acknowledges the shift from passenger cars to pickups, SUVs and crossovers, Becker said manufacturers spend more ad dollars on them because they are more profitable.

"The industry is spending $15 billion marketing their pickups and SUVs," Becker said. "I don't see that many ads for the Chevy Bolt or Nissan Leaf." The gap between the industry and groups such as Safe Climate and the Consumer Federation may be smaller than that between the industry and EPA chief Pruitt.

**Americans love trucks: Does that mean fuel economy doesn't matter anymore?**

**By: Greg Gardner**
**December 22, 2017**

The Trump administration crusade to wipe out every vestige of Obama-era policies, including auto fuel economy standards, will continue in 2018, but environmental and consumer advocates are pushing back hard.

In a recent report titled "The War on Energy Efficiency," the Consumer Federation of America calls a full rollback of fuel economy standards a "$2-trillion mistake."

That calculation takes into account the $1.2 trillion consumers have saved because of the standards in effect since 1975 and the $800 billion in economic growth tied to energy efficient technologies.

Both President Donald Trump and Scott Pruitt, his head of the Environmental Protection Agency who has close ties to the oil and gas industries, have been on the warpath to weaken or erase regulations designed to incentivize alternative fuel technologies.

"My administration will work tirelessly to eliminate the industry-killing regulations," Trump said in March during a visit to the American Center for Mobility in Ypsilanti. "These standards are costly for automakers and the American people."

Liz Bowman, an EPA spokeswoman, reiterated that position.

"Unlike the Obama administration, which pre-emptively forced stringent regulations on an industry to force a change in consumer behavior, EPA is moving forward with an open and robust review of emissions standards, consistent with the original timeframe provided by the regulations," Bowman said. "So what do automakers say?"

The new tax bill sharply cuts what they owe the U.S. government. China is aggressively promoting electric vehicles. Then an uncertain future of self-driving vehicles looms with potential threats to the traditional business model.

"General Motors will move humanity forward in the future with all electric propulsion," global product development chief Mark Reuss said Oct. 2, as GM announced plans to introduce 20 new electrified models by 2023.

Earlier in January 2017, Ford’s then-CEO Mark Fields told Trump that "if fuel economy rules don’t align with market reality, about 1 million U.S. jobs would be at risk."

Fields was fired in May. Later, his successor, Jim Hackett said in Ford’s annual Sustainability Report that Ford was "absolutely committed to reducing emissions and improving fuel economy."

Sergio Marchionne, Fiat Chrysler CEO, said in January, "There is not a single carmaker that cannot make the 54.5 mpg standard for the 2025 model year. The question is, at what price?"
Don’t be confused by some of the numbers. The 54.5 mpg target is already obsolete because of the shift from passenger cars to crossovers, SUVs and pickup trucks.

The original standard was based on an assumption that passenger cars would account for 67% of total U.S. new vehicle sales, and light trucks (pickups, SUVs, vans and crossovers) would be 33%.

The marketplace has flipped that mix. In 2017 through November, light trucks were 63% of the market and passenger cars were 37% and falling.

Whatever standard survives the midterm review that began in mid-2017 and will run through most of 2018 won’t be the same as the EPA number printed on each new vehicle’s window sticker.

To put it in window sticker terms, the current law requires a fleet average of 39.3 mpg in combined (city and highway) driving for model year 2020 and 42.1 for 2021, according to data from the Alliance of Automobile Manufacturers.

The standard for the 2016 model year was 34.1 mpg.

"If EVs (electric vehicles) do what we think they can do, meeting the Obama administration targets will be feasible for those automakers who have invested in the technology," said Mark Cooper, senior fellow with the Consumer Federation.

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For example, if Pruitt and Elaine Chao, Trump’s secretary of transportation, were to propose eliminating any fuel economy standard, then automakers might just as well shift development of electric vehicles to China altogether.

The other risk of total deregulation is that California, which long has had the legal power to set stricter fuel economy and emission standards, and 12 Northeast states that currently follow California, would maintain their own regulations.

Second, there is already flexibility in the Obama administration regulations. If consumers are buying more pickups, large SUVs and crossovers, the standard comes down to reflect the difference in mileage of each vehicle segment.

To be fair, even the largest pickup trucks and SUVs are becoming more efficient with each new iteration. Greater use of aluminum, carbon-fiber and lighter-weight steel is taking hundreds of pounds off the models being replaced.

Battery-based powertrains will soon be introduced in light trucks and even in muscle cars. Ford is investing $4.5 billion to bring an F-150 hybrid, Mustang hybrid and full EV to market around 2020.

“We still expect we will have a target and it’s still going to be rigorous to meet it. It might be a higher number than we like, but it should be achievable,” said Gloria Bergquist, vice president with the Alliance of Automobile Manufacturers, which represents the Detroit Three, Toyota, BMW, Volkswagen, Porsche, Mercedes-Benz USA, Mazda, Jaguar Land Rover and Mitsubishi.

The law Congress passed and Obama signed in 2012 called for fuel economy standards to be set at "maximum feasible levels."
"That depends on what the price of gasoline is, what the trends are in consumers’ preferences and whether you can achieve the standard without hurting jobs," Bergquist said.

For example, back in 2012, the National Highway Transportation Safety Administration projected that a gallon of regular unleaded gas would be $3.60 by the end of 2017. On Wednesday it was $2.42, according to the AAA Fuel Gauge report.

A 2016 technical assessment compiled by the EPA, NHTSA and the California Air Resources Board, estimated that automakers would have to spend between $1,100 and $1,300 per vehicle to comply with the original standard for the 2025 model year.

"It's all a balancing act," Bergquist said. "If the standards are too steep too soon, it can affect affordability. That's why it's so important to find the sweet spot."