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Obama's Chance to Reduce Auto Emissions and Our Thirst for Oil

By DANIEL F. BECKER and JAMES GERSTENZANG JULY 20, 2011

Washington

PRESIDENT Obama has promised to break the United States' oil addiction and tackle global warming. With a decision he will make in coming days, he can do both, and help consumers cut gas costs as well.

The right decision would be to order automakers to reduce tailpipe emissions by 6 percent, steering the auto industry away from a century of gas guzzling and transforming it to compete in the world market. It would wean the nation from its oil habit.

The wrong decision would let the auto industry drive itself back into a familiar ditch, while allowing the United States to stumble in the green technology race.

Under standards that Mr. Obama set last year, cars and S.U.V.'s and other light trucks must reduce their greenhouse gas emissions by 5 percent a year, resulting in a 35.5 m.p.g. national average in 2016.

Now, the president is deciding how much to cut emissions through 2025. He has said the reductions will range from 3 percent to 6 percent.

Automakers are pushing for the weakest standard and want the president to riddle it with loopholes. Americans want much better. A survey conducted in May for the Consumer Federation of America, for instance, found that 65 percent of Americans, including 62 percent of Republicans, supported a tough mileage

standard— 60 m.p.g., which would come from installing technology that cuts carbon dioxide emissions 6 percent each year.

It is the biggest single step the president can take against global warming — and its benefits go beyond that. They would curb our appetite for oil, create jobs and start to check the flow of billions of dollars to OPEC and others.

The stronger the emissions standard, the less gas we will buy — and the more we will cut our dependence on oil and save at the pump.

With less money going to foreign oil producers, more would go into our economy. This in turn will create jobs: as many as 700,000, including 60,000 in the auto industry, according to a study last month by Ceres, a coalition of investors and environmental and public interest groups. If the United States reduces auto emissions 6 percent a year, it will cut oil consumption 217 million barrels more in 2025 than it would if the reduction is only 3 percent, according to calculations by the American Council for an Energy-Efficient Economy. That means we would pay \$16 billion less to foreign oil producers in 2025, with oil at \$140 a barrel. Indeed, for every percentage point weaker than a 6 percent cut, foreign oil producers get an extra \$5.5 billion from United States consumers.

So, here's the decision for Mr. Obama: Keep the money here or send it there?

The technology to meet a strong mileage and emissions standard sits largely neglected on Detroit's shelves: high-strength, lightweight materials, more-efficient engines and transmissions, and better aerodynamics. Tough standards mean that automakers will need to add it to most vehicles. The hybrid Toyota Prius and Chevrolet Volt show what you can get when you move the technology onto the assembly line.

Yes, the gas-saving technology will raise the cost of the average car. But by needing less fuel, consumers will come out \$5,700 to \$7,400 ahead, even after paying the higher showroom price, according to the Environmental Protection Agency and the Department of Transportation. Spend a little to save a lot. That is a good deal.

Carmakers acknowledge that they can comply with a stringent standard. Even

G.M., which blew its market lead when it failed to embrace advanced technology, says it can meet an emissions standard that produces a 60 m.p.g. average.

Still, an industry that resisted airbags and catalytic converters is resurrecting its tired argument that consumers will not buy innovative, clean cars. Despite cadging an \$85 billion bailout, its lobbyists are fighting aggressively to weaken the next round of standards. What chutzpah.

News reports say the administration and automakers have discussed a 5 percent proposal that would produce cars and light trucks delivering an impressive-sounding 56 m.p.g. by 2025. But look under the hood. The plan would have an escape hatch, allowing for a review that could lower the target before the most stringent rules would take effect, or end the program if automakers convince the government to do so.

This and other loopholes would turn the standard into Swiss cheese. Automakers are eligible for a mileage and emissions credit if they switch to cleaner air conditioning fluid before 2016. The plan would give them the same credit again after 2016, even if they had made the switch. This would be like buying the same horse twice. Another would give a disproportionately large break to companies that make electric vehicles, allowing them to sell additional nonelectric vehicles that give off more emissions than the electric vehicles save. And automakers are lobbying for a backloaded plan, with the biggest cuts at the end and meager reductions at the start.

Mr. Obama has the historic opportunity to begin solving three of the nation's most vexing problems: global warming, the thirst for oil and high gas pump costs. You do that with a strict emissions standard, not loopholes.

Daniel F. Becker directs the Safe Climate Campaign. James Gerstenzang, who covered the White House and environment for The Los Angeles Times, is the campaign's editorial director.