

On Earth Day: Automakers--Except Chrysler--Clap for the Tough Fuel Economy Rules

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Here's an [Earth Day](#) twist for you: Some of the automakers who fought tooth and nail against tighter fuel economy regulations are now glad they're in place. That's true despite the fact that the standards—which get fleet averages to 54.5 mpg by 2025—get tough to meet in the coming decade.

The new Chevy Malibu Hybrid, seen at its debut in New York, will get an impressive 47 mpg combined. Where's the Chrysler equivalent? (Jim Motavalli photo)

Margo Oge is the former director of the EPA's Office of Transportation and Air Quality, which made the historic deal with automakers, and the author of a new book called [Driving the Future: Combating Climate Change with Cleaner, Smarter Cars](#). In an interview, she told me that forward-thinking automakers that are on track to meet the goals want to keep them in place; it's the laggards that are demanding that the goals be weakened during [a midterm review](#). But it's unlikely that any big changes will be made.

Here's why. "The car companies want stability, and they need to compete in the marketplace," Oge told me. "And most companies follow the rules." She doesn't expect to see any Corporate Average Fuel Economy, or "CAFE" changes, even in a world of low gas prices that are likely to stick around for a while.

Margo Oge's new book is *Driving the Future*, and it offers an insider's look at the CAFE standards.

But not all carmakers are compliant. As Oge points out, Fiat-Chrysler Automobiles, which has emphasized trucks at the expense of hybrids and electrics, is balking. "CEO Sergio Marchionne is saying he can't meet the standards, but GM is saying not to make any changes," she said. "My view is that a majority of companies are supporting the status quo."

Fiat-Chrysler [came in dead last](#) in fleet-wide fuel economy for the 2013, at 20.9 mpg.

Meanwhile, automakers overall achieved 24.1 mpg. (More than 480 models on sale today achieve 30 mpg highway, or better.) The company's poor performance probably had something to do with [Marchionne saying](#), "The question is whether 2025 is a realistic date for which to achieve it. Fifty-four will not change. The date of implementation might."

That's probably wishful thinking on Marchionne's part. Oge is right: Most automakers, particularly foreign ones, are saying keep 54.5 in place. Scott Keogh of Audi's U.S. division told me at this year's New York International Auto Show his company supports the goal. And BMW North America CEO Ludwig Willisch told the Detroit News, "There's a clear plan that everybody has to adhere to, and then we are on safe grounds. We would very much appreciate if we would not have a change in requirements."

I find this enlightened stance encouraging, even if it is based on self-interest. BMW, Audi, GM--they've all made big investments in hybrids, electrics and fuel-saving gas engine technology. Why should they lose that advantage? Ford, for instance, not only made a major commitment by putting an aluminum body on the F-150, it just announced [a major new investment in carbon fiber](#) as a further lightweighting strategy.

And meanwhile, what's happening over at the Chrysler division of Fiat-Chrysler? They're busy making money selling gas guzzlers. According to Dan Becker, director of the Safe Climate Campaign, "Every other automaker is at least trying to meet the standards. Chrysler isn't doing anything—it's not competitive in hybrids, and it's barely in electrics [with the Fiat 500e]. The company was reduced to buying credits from Tesla, because it couldn't meet the standards with its own production."

FCA is emphasizing big trucks, like this Ram 1500. No wonder it's crying wolf about the CAFE standards.

Earlier this month, Fiat-Chrysler [released a sustainability report](#). While short on specific accomplishments, particularly in the U.S., Marchionne was quoted as saying, "The combination of [Chrysler and Fiat] has created the world's seventh largest automaker, one that has embraced sustainability as the best path to guarantee merit and dignity to the results achieved," he said.

Well, not so much.

Wade Newton of the Auto Alliance, representing a dozen carmakers, points to those low fuel prices as the reason why some manufacturers are not meeting the corporate average economy goals. "The companies are all producing highly fuel-efficient products," he said. "The question is what consumers will do and whether they will choose to buy these vehicles. The early evidence gives us pause." He pointed to sales figures indicating [battery electric sales are down in 2015](#).

Oge says she was at the EPA for 33 years, and in that time she was regularly met with cries of, "It can't be done, the sky is falling, the industry will be destroyed and jobs outsourced." The reality was different. "But time after time, they came through. Between 2012 and 2015, we saw both innovation and economic growth—the industry showed it could lead the way and be competitive."

We're just seeing the edge of innovation, Oge said. With lightweighting and other tools in the automakers' arsenals, she thinks we'll see 180-mpg-equivalent cars by 2050. "That represents an 80 percent improvement from 2005," she said. "We expect a five percent improvement annually. In Europe they're already at 46 mpg in climate equivalent this year."

The technology is there, or coming soon, for Chrysler to meet the federal guidelines. Other manufacturers are well on their way— so much so, they don't want the regulations changed. But, does the will exist for Fiat-Chrysler to focus on selling more fuel efficient vehicles? Or, is Marchionne's line about embracing sustainability just more corporate hype from the auto industry? Time will tell.

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