Does your car get 54.5 miles a gallon? That's what EPA wants for 2025.

The Obama administration on Wednesday formally unveiled a plan that would chop greenhouse-gas emissions, heavy reliance on oil, and fuel costs.

By Mark Clayton, Staff writer / November 16, 2011

The compact 2011 Chevy Cruze, lauded for its low fuel consumption, gets up to 42 miles per gallon, which is too high for the new standards proposed by the EPA.

Rebecca Cook/Reuters

The Obama administration on Wednesday formally unveiled a "historic" plan that would, if implemented, sharply improve US auto and light-truck mileage standards by 2025 – chopping America's greenhouse-gas emissions, and heavy reliance on oil, as well as fuel costs for drivers.

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The new proposal pushes auto-mileage standards to 54.5 miles per gallon in the next decade. It comes on the heels of a finalized first step in the same direction, announced in April. That earlier step requires automakers to build an auto fleet averaging 35.5 miles per gallon by 2015.

"By setting a course for steady improvements in fuel economy over the long term, the Obama administration is ensuring that American car buyers have their choice of the most efficient vehicles ever produced in our country," said EPA Administrator Lisa Jackson in a statement. "That will save them money, reduce our nation's oil consumption and cut harmful emissions in the air we breathe."

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The rough outlines of the new mileage proposal were first announced in July at a Rose Garden event, where President Obama and the heads of the US automakers came together.

Under the new proposal, the Environmental Protection Agency and the US Department of Transportation would work closely with automakers on a plan for mileage improvement, as they did with the earlier step. Gains this time around, agency officials say, would include:

• Lopping a total of 4 billion barrels off the nation's oil consumption and 2 billion tons of greenhouse-gas emissions over the lifetimes of vehicles purchased during the 2016-2025 time frame.

• Saving Americans more than $1.7 trillion in fuel costs at the pump – about $8,000 per vehicle by 2025. These figures take into account both the earlier decision to boost mileage and the new proposal.

• Reducing America’s oil consumption by 2.2 million barrels per day – enough to offset nearly a quarter of today’s foreign-oil imports. This figure was also arrived at by factoring in both the first and second steps. Also, overall, 6 billion tons of greenhouse-gas emissions would be cut over the life of the programs.

Environmentalists were quick to embrace what several hailed as possibly the most significant achievement of the Obama administration.
"It is not every decade that a president does something to simultaneously help the environment, consumers and the auto industry. President Obama has done just that," said Dan Becker, director of the Safe Climate Campaign in Washington, in a statement. "These standards are the biggest single step any nation has taken to fight global warming."

The steps, he noted, would "slash our oil addiction" and save drivers thousands of dollars at the pump – even after paying for the technology that delivers better mileage. They would also help "automakers compete by making efficient vehicles that consumers ... want to buy."

One poll of 1,200 small-business owners found that 87 percent of them overwhelmingly support adopting strong mileage standards. Moreover, a July study by Ceres, a nonprofit coalition of investors and public-interest groups, found that a shift to a fuel economy of 54.5 m.p.g. would create about 43,000 direct jobs and 484,000 economywide.

But while automakers – the co-authors of the pact – embraced the deal, they also seemed eager to leave themselves wiggle room to negotiate with future administrations over the pace of change. Indeed, the deal has some "loopholes" in it that environmentalists have warned could allow actual mileage standards to slip a bit.

"This proposal continues the approach of establishing a single national program for fuel economy and greenhouse gas emissions, which is the right overall direction," said Mitch Bainwol, president of the Alliance of Automobile Manufacturers, an industry group, in a statement. "The proposed regulations present aggressive targets, and the Administration must consider that technology break-throughs will be required and consumers will need to buy our most energy-efficient technologies in very large numbers to meet the goals," Mr. Bainwol also said.

The proposal now begins a formal 60-day comment period and could be finalized by next summer.

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