

# Obama to unveil new fuel standards today

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WASHINGTON - President Obama will unveil the 2017-25 fuel economy standards today, doubling current fleetwide requirements to 54.5 mpg but giving Detroit's Big Three leeway to keep building profitable SUVs and pickup trucks.

After weeks of talks with automakers, the Obama administration softened its proposal from 56.2 miles per gallon by 2025 and agreed to only require 3.5 percent annual increases in light trucks through 2021. But the government will require 5 percent annual increases for passenger cars during the same period - a potentially tough demand on foreign companies whose product lines are car-based.

The White House said the deal "will result in significant cost savings for consumers at the pump, dramatically reduce oil consumption, cut pollution, and create jobs."

The formal proposal will be unveiled by Sept. 30 and the final rule by the end of July 2012.

Dan Becker, director of the environmental lobby group Safe Climate Campaign, praised the proposal but said it could have been stronger.

At least seven automakers are expected to agree by today to raising the fleet fuel efficiency standards to 54.5 mpg by 2025, but talks are ongoing over several remaining issues. The seven are GM, Ford, Chrysler Group, Honda Motor Co., Hyundai Motor Co., Nissan Motor Co., and Toyota. In order to win the backing of the domestic automakers, the White House agreed to a review midway through the period, to ensure the new requirements are achievable, as well as granting credits that will make it easier for the companies to meet the revised standards.

The automakers pushed to get factors such as the rules' impact on jobs and auto sales included in the midterm assessment.

The Association of Global Automakers, representing major foreign automakers, said the new standards "are challenging" but said it was pleased with the deal's safeguards, which it said will give its members "enough lead-time to design and build the type of advanced technology vehicles needed, while continuing to meet consumer needs with a full range of vehicle choices."