Obama sets tough new fuel standards

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**Reporter: Michael Rowland**

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Americans' love affair with their cars is about to be tested with tough new fuel efficiency and emission standards. President Barack Obama says he is seizing an historic opportunity to tackle one of the big causes of climate change.

**Transcript**

LEIGH SALES, PRESENTER: In the United States, America's love affair with the car is about to be tested, with tough new fuel efficiency and emission standards.

President Barack Obama says he's seizing an historic opportunity to tackle one of the big causes of climate change.

Washington correspondent Michael Rowland reports.

MICHAEL ROWLAND, REPORTER: It's the end of the road for the big American gas guzzler.

BARACK OBAMA, US PRESIDENT: For the first time in history we have set in motion a national policy aimed at both increasing gas mileage and decreasing greenhouse gas pollution for all new trucks and cars sold in the United States of America.

MICHAEL ROWLAND: By 2016, all cars and light trucks will have to average 15 kilometres per litre - that's a 40 per cent improvement on current fuel efficiency standards.

DAN BECKER, SAFE CLIMATE CAMPAIGN: Well, this is the land of the automobile and, eventually, we'll be able to change our love affair with the car. But first, we can change the car. And that's what this does.

MICHAEL ROWLAND: There'll also be much tighter restrictions on vehicle emissions.

BARACK OBAMA: This is the projected equivalent of taking 58 million cars off the road for an entire year.
MICHAEL ROWLAND: Those cars still on the road will cost nearly $2,000 more. But the President insists motorists will win in the long run.

BARACK OBAMA: Yes, it costs money to develop these vehicles. But even as the price to build these cars and trucks goes up, the cost of driving these vehicles will go down, as drivers save money at the pump.

MICHAEL ROWLAND: The new measures are winning bi-partisan support.

ARNOLD SCHWARZENEGGER, CALIFORNIA GOVERNOR: And this is exactly what it's all about: all of us working together, showing great leadership and reducing the consumption of oil, reducing our greenhouse gases and fighting, together, global warming.

MICHAEL ROWLAND: The tougher standards are yet another challenge for the struggling US car companies, but they'll have no choice but to comply.

PATRICK MICHAELS, CATO INSTITUTE: They're owned in part by the Government, so the Government can tell them pretty much what they want to produce, can't they?

MICHAEL ROWLAND: Environmentalists are hoping other countries will now follow America's lead.

DAN BECKER: Up until now, a lot of countries have been able to hide behind US inaction. And they've said, "If the US, which is a quarter of the world's emissions, isn't doing anything, we, our country, shouldn't have to do anything either." That excuse is now gone. There is much more that we need to do in the United States, but this shows the world that we're ready to take action, we're ready to take action on the thing that we've always done worst, which is cars.

MICHAEL ROWLAND: The new car standards come as the US Congress debates ambitious climate change legislation. Democrats want to introduce a sweeping cap and trade system aimed at cutting greenhouse gas emissions by the big polluters.

And just like the cap and trade debate in Australia, the divisions are sharp. Supporters talk up the benefits to the environment, opponents worry about the impact on the economy.

HENRY WAXMAN, CHAIRMAN HOUSE ENERGY COMMITTEE: The bill we are considering today is a strong bill. It will break our dependence on foreign oil, make our nation the world leader in clean energy jobs and technology and protect our children from dangerous carbon pollution.

JOE BARTON, REPUBLICAN CONGRESSMAN: No matter what number you use, you're going to put a significant cost on the American economy.

MICHAEL ROWLAND: Unlike Australia, the US is hoping to move towards an emissions trading scheme by the end of the year. Michael Rowland, Lateline.
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