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U.S. Sets Higher Fuel Efficiency Standards

By **BILL VLASIC**

DETROIT — The Obama administration issued on Tuesday the final version of new rules that require automakers to nearly double the average fuel economy of new cars and trucks by 2025.

The standards — which mandate an average fuel economy of 54.5 miles per gallon for the 2025 model year — will increase the pressure on auto manufacturers to step up development of electrified vehicles as well as sharply improve the mileage of their mass-market models through techniques like more efficient engines and lighter car bodies.

Current rules for the Corporate Average Fuel Economy, or CAFE, program mandate an average of about 29 miles per gallon, with gradual increases to 35.5 m.p.g. by 2016.

The new rules represent a victory for environmentalists and advocates of fuel conservation, but were attacked by opponents, including the Republican presidential nominee Mitt Romney, as too costly for consumers.

While the regulations have been in development for more than a year, the White House's decision to make them final on the first full day of the Republican National Convention seemed intended to highlight one of **President Obama's** proudest accomplishments at a time when Mr. Romney has laid out a different energy and environmental agenda.

The administration called the new rules “historic,” and estimated that Americans would reduce their oil consumption by 12 billion barrels over the course of the program. “These **fuel standards** represent the single most important step we've ever taken to reduce our dependence on foreign oil,” Mr. Obama said in a statement.

But the Romney campaign has criticized the new rules as “extreme” and said the standards would limit the choices when consumers shop for a new car. “The president tells voters that his regulations will save them thousands of dollars at the pump, but always forgets to mention that the savings will be wiped out by having to pay thousands of dollars more upfront for unproven technology that they may not even want,” said Andrea Saul, a spokeswoman for the Romney campaign.

The transportation secretary, [Ray LaHood](#), said the standards would save Americans \$1.7 trillion in fuel costs, resulting in an average savings of more than \$8,000 a vehicle by 2025.

The fuel savings, he said, would easily exceed the estimated \$2,000 to \$3,000 that the more efficient vehicles would cost consumers to buy.

“You put better technology in the car and the price is going to go up,” Mr. LaHood said in a conference call with reporters. “But it goes up a fraction of what you save on gas.”

The administration also said the rules would cut greenhouse gas emissions in half by 2025, eliminating six billion tons over the course of the program.

Proponents of the rules contend that they could also generate hundreds of thousands of jobs by increasing the demand for new technologies.

“Our nation will be more secure, our environment will be cleaner, and consumers will have more money in their pockets as a result of the new rule,” said Phyllis Cuttino, director of the Pew Clean Energy Program, an environmental organization based in Washington.

Thirteen major automakers, including General Motors, Ford and Chrysler, endorsed the new standards during lengthy negotiations last year.

The companies fought for and won inclusion of a critical midprogram review period in the final rule. The review, to be conducted at the end of the decade, is meant to assess the progress made toward achieving the 54.5 m.p.g. goal. The standard could then be altered if the manufacturers are struggling to meet the new guidelines.

One industry trade group, the Alliance of Automobile Manufacturers, said a “rigorous midterm review” was necessary to determine how consumers reacted to new models that had better mileage but might be more expensive.

“Compliance with higher fuel-economy standards is based on sales, not what we put on the showroom floor,” the alliance said in a statement.

Auto dealers also expressed concern that higher prices for new cars might exclude some consumers from the market. “This increase shuts almost seven million people out of the new car market entirely,” said Bill Underriner, chairman of the National Auto Dealers Association.

Auto companies are expected to take different approaches to meeting the more stringent guidelines.

Some, like the Japanese automaker Nissan, are counting on consumers gravitating to all-electric models like its Leaf. Others, like Chrysler, will focus their efforts on improving engines and transmissions on traditional gasoline-powered cars.

Ford is offering its new Focus compact car with a variety of power sources, ranging from an electric version to a regular gas engine.

Still, American consumers have so far been slow to buy [electric cars](#), despite gas prices that are near \$4 a gallon. General Motors is planning to shut down production temporarily of the Chevrolet Volt plug-in hybrid to reduce a backlog of unsold inventory.

For the most part, automakers will have to accelerate their efforts to improve mileage by reducing the weight of vehicles, using more aerodynamic designs and decreasing engine size without sacrificing power.

“The vast majority of vehicles will be more efficient without using electric or hybrid powertrains,” said Daniel F. Becker, director of the Safe Climate Campaign, a Washington-based environmental advocacy group. “These cars won’t look any different than today unless you check under the hood.”

Even if the 54.5 m.p.g. goal is reached, most cars and trucks will get lower mileage in real-life driving. Credits for air-conditioning units in vehicles will

reduce the average mileage to about 49 m.p.g., and actual driving conditions could reduce it further.

John M. Broder contributed reporting from Washington.