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This Is a Big Deal

By THOMAS L. FRIEDMAN

IN many ways, President Obama has been a disappointment on energy and the environment. He has been completely missing in action on the climate debate. His decision to block his own Environmental Protection Agency from setting new rules to cut smog levels was disappointing. And, while I believe in using the balance sheet of the U.S. government to spur clean-tech research and start-ups, Solyndra was a case of embarrassing excess — precisely what happens when you rely too much on government push not consumer pull, spurred by price and regulatory signals.

But, for me, all is forgiven — because Obama came through big-time last month.

He backed his great E.P.A. administrator, Lisa Jackson, and Department of Transportation secretary, Ray LaHood, in producing a deal with all the top U.S.-based automakers that will go into effect in 2017 and require annual mileage improvements of 5 percent for cars, and a little less for light trucks and S.U.V.'s, until 2025 — when U.S. automakers will have to reach a total fleet average of 54.5 miles per gallon. The current average is 27.5 m.p.g.

This deal will help America's cars and trucks approach the mileage levels of Europe and Japan and spur innovation in power trains, aerodynamics, batteries, electric cars and steel and aluminum that will make cars lighter and safer.

The E.P.A. and the Transportation Department estimate that these new innovations will gradually add about $2,000 to the cost of an average vehicle by 2025 and will save more than $6,000 in gasoline purchases over the life of that car — savings that will go into the rest of the economy. And all that assumes that gasoline prices will only moderately increase and there are no innovation breakthroughs beyond what we anticipate. If gasoline prices soar higher and innovation goes faster — both highly likely — the savings would be even more.

The new vehicles sold over the life of the program — including its first phase between 2012 and 2016 — are expected to save a total of four billion barrels of oil and prevent two billion metric tons of greenhouse gas pollution.

This is a big deal — a legacy deal for Obama that will make a significant, long-term contribution to America's energy, environmental, health and national security agendas.

The compromise was worked out between the E.P.A. and the Transportation Department with General Motors, Ford, Chrysler, Toyota, Honda, Nissan, BMW and six other major car companies. It was announced Nov. 16 and came about largely because once the Supreme Court ruled that carbon dioxide was a pollutant — and once California made clear that it and several other states were going to impose their own improved auto emissions standards, if the federal government didn't — the major auto companies saw the handwriting on the wall and entered into talks with the Obama administration on a deal that will transform the industry.

The Global Automakers trade association — which endorsed the deal because it gives the industry long-term regulatory certainty to do research and invest — called the Obama plan a "comprehensive and harmonized national approach to reducing greenhouse gas emissions and improve fuel economy ... while providing manufacturers the needed flexibility and lead time to design and build advanced technology vehicles."

Dan Becker, director of the Safe Climate Campaign of the Center for Auto Safety, said the mileage deal "is the biggest single step that any nation has taken to cut global warming pollution," but he cautioned that, like any Washington compromise, it does contain loopholes that "give the auto companies opportunities to behave irresponsibly — if they choose." If the companies' total fleet mix of cars and trucks stays roughly as projected, they would hit the 54.5 m.p.g. target by 2025. But, because the deal allows for a weaker mileage standard for trucks than cars, Becker added, "if the industry as a whole decides to make many more trucks than now projected, we will not achieve the 54.5 m.p.g. target, although average mileage would still improve significantly from today's levels."

Naturally, the E.P.A.-haters hate the deal. They focus on the increase in vehicle costs that will phase in over 13 years — and ignore the net savings to consumers, plus the national security, innovation, jobs, climate and health benefits. These critics are the same "conservatives for OPEC" who, after Congress agreed in 1975 on a 10-year program to raise the fleet average mileage of American cars from 15 m.p.g. to 27.5 m.p.g., got together not only to halt mileage improvements in American vehicles during the Reagan administration, but to roll them back. This helped to drastically slow U.S. auto mileage innovation and ultimately helped to bankrupt the American auto industry and make sure the United States remained addicted to oil.

Of course, today's G.O.P., whose energy policy was best described by Lisa Jackson as "too dirty to fail" — i.e., we can't close any polluting power plants or impose cleaner air rules because it might cost jobs — is fighting a last-ditch effort to scuttle the deal. Representative Darrell Issa, a California Republican and chairman of the House oversight committee, is leading the charge to kill it. What a thing to be proud of.

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