Average car-truck fuel-economy standards rise to 27.3 mpg

By John Hughes Bloomberg News

Cars and light trucks will be required to meet a U.S. fuel-economy average of 27.3 miles per gallon for 2011 models, a 2 mpg increase from the previous year’s level, the Transportation Department said.

The rules calling for the 8% gain, announced Friday in Washington, implement a 2007 law intended to curb emissions and fuel use by 2020. The change, being put in place as General Motors and Chrysler face possible bankruptcy, isn’t as aggressive as the 27.8 mpg target that President Bush proposed in April 2008.

"This isn't going to be a stretch for them to meet this," David Kelly, former acting head of the National Highway Traffic Safety Administration under Bush, said of automakers. New car fuel economy already averaged 31.3 mpg by 2007, NHTSA said.

Cars must average 30.2 mpg under the rule, up from 27.5 required under current law, which runs out after 2010. Light trucks will average 24.1, up from 23.5 mpg for 2010 models. The December 2007 energy law called for vehicles to meet a 35 mpg standard by 2020 models, a 40% increase from the average in 2008.

"The bad news is that the 27.3 mpg standard means that they’ll have to make up for it in future years," said Dan Becker, director of the Safe Climate Campaign, a group in Washington that works for environmentally “clean” cars. "The goods news is that they have promised that they will."

President Obama's administration had a March 31 deadline for setting the rules, giving the industry about 18 months to prepare its 2011 models to meet the requirement. Bush did not make final his proposed rules before he left office.

Setting the 2011 standard "is an important first step," David McCurdy, president of the Alliance of Automobile Manufacturers, said in a statement. "It is now important that the Department of Transportation provide automakers with the certainty and consistency needed" for 2012 and beyond. The Alliance represents automakers including GM, Ford Motor and Toyota Motor.

The new mileage standard marks the first increase for cars since the mid-1980s, as the Transportation Department lacked authority to change it until the 2007 law. The administration already had authority to raise the light-truck standard, which is set to climb to 23.5 for 2010 models.

Carmakers have been preparing since Congress passed the 2007 law, and some planned to meet the higher standard proposed last year, Kelly said.

The rule "is still a pretty significant jump" from 2010, he said. "You can’t say the Obama administration is going soft."

The change will cost manufacturers $1.5 billion for new technologies, NHTSA estimated. It will save 887 million gallons of fuel over the life of 2011 models and cut carbon emissions by 8.3 million tons, the agency said.