

Vehicle Fuel Economy Posts Biggest Gain in U.S. Since 1975

Mark Drajem and Angela Greiling Keane Mar 15, 2013 12:53 pm ET

(Updates with comment from EPA nominee in third paragraph, auto analyst in sixth.)

March 15 (Bloomberg) -- Fuel economy of vehicles sold in the U.S. last year had the sharpest gains in almost four decades, as foreign automakers Honda Motor Co. Ltd., Volkswagen AG and Mazda Motor Corp. had the most efficient fleets.

An annual report by the Environmental Protection Agency showed new cars and trucks had a 16 percent gain in fuel efficiency in the past five years, to 23.8 miles per gallon. Preliminary data shows an average increase of 1.4 mpg in 2012 from the previous year, which in part was attributed to the drop in Japanese vehicle production after the March 2011 tsunami, the EPA said.

“We are making strides toward saving families money at the pump, reducing greenhouse gas emissions and cleaning up the air we breathe,” Gina McCarthy, President Barack Obama’s nominee to head the EPA, said in a statement on the report.

Obama’s administration hashed out an agreement with automakers to boost the average fuel efficiency of their vehicles in the next dozen years. Automakers must double fuel economy of new vehicles by model year 2025 and lower their greenhouse-gas emissions by half. The first set of rules phases in through 2016.

25% Compliance

The EPA report shows almost 25 percent of vehicles already in production can meet the 2016 model-year standards. And the bulk of the vehicles that comply are fueled with gasoline, although technologies including hybrids, electric and diesel also are represented, according to the EPA, which has tracked vehicle fuel efficiency since 1975.

“The industry is getting it,” Alan Baum, principal of Baum & Associates, an automotive consulting firm in West Bloomfield, Michigan, said in an interview. “Obviously does it keep getting more difficult as the numbers go up? Of course it does, but there’s so much going on that the ability to get there is intact.”

According to the preliminary data, Honda's average miles per gallon was 26.4, followed by VW at 26.2 and Mazda with 25.9. Fiat SpA's Chrysler Group LLC had the lowest with an average 20.6 miles per gallon for its fleet.

Kia Motors Corp. and Hyundai Motor Co. weren't included in the list because of an ongoing investigation into their efficiency test data, according to the report. The Korean automakers would rank at the top if they were included, according to EPA.

The low ranking of American-made vehicles "is a warning light on Detroit's dashboard," Dan Becker, director of the Safe Climate Campaign, which supports higher fuel-economy standards, said in an e-mail. In 2011, "because American car makers weren't doing their share, when natural disaster curtailed Japan's auto production, our overall fuel efficiency faltered."

--Editors: Steve Geimann, Jon Morgan

<http://washpost.bloomberg.com/Story?docId=1376-MJPGV76K50YH01-7CQO247F2B4AAAMP1RVVQ7539I>