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## **As Cars Reach Another Mileage Record, EPA Warns About Costs**

**By: Ryan Beene**

Automakers continue to set records for fuel economy, according to data released Wednesday by the EPA that both the Trump administration and environmentalists seized as evidence in their clash over the future of federal mandates.

Vehicles offered for sale in the U.S. for the 2017 model year averaged nearly 25 miles per gallon, up slightly from the prior year and an all-time high, the Environmental Protection Agency said in its annual report card on the efficiency of new vehicles.

All manufacturers are in full compliance with fuel economy and tailpipe greenhouse gas emissions standards, but most large carmakers used regulatory credits earned in previous years to get there, the EPA said.

"Today's report shows that while the auto industry continues to increase fuel economy, there are legitimate concerns about the ability to cost-effectively achieve the Obama administration's standards in the near future," EPA Administrator Andrew Wheeler said in a news release.

### **Detroit Drags**

The report comes as the EPA and National Highway Traffic Safety Administration work to finalize new, less-stringent auto efficiency standards that would take effect with model year 2021. In August, the agencies proposed capping mileage requirements at 37 mpg after 2020, instead of the roughly 47 mpg by 2025 rule set during President Barack Obama's administration.

Environmentalists argued the report shows President Donald Trump's EPA is moving in the wrong direction by seeking to ease fuel economy and tailpipe emissions standards.

"While the Trump administration is moving to gut the clean car standards, its own data shows the current standards are working," said Luke Tonachel, director for clean vehicles and fuels at the Natural Resources Defense Council. "Automakers are innovating and improving the performance of their fleets, and tailpipe emissions continue to plummet."

Honda Motor Co. had the best mileage and carbon dioxide emissions performance in model year 2017 with a 29.4 mpg fleet-average. Fiat Chrysler Automobiles NV ranked last at 21.2 mpg, according to the report.

Industrywide, 2017 model-year vehicles averaged 24.9 mpg, up from 24.7 mpg in the prior year.

### **Honda on top**

Nearly all automakers have reduced carbon emissions and improved mileage since the current efficiency standards took effect in model year 2012, except for Toyota Motor Corp. Japan's largest carmaker saw real-world fuel economy fall slightly to 25.3 mpg in model-year 2017 from 25.5 in 2012. Subaru Corp. saw the largest improvement, rising to 28.5 mpg from 25 mpg over that period.

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Auto manufacturers can achieve efficiency requirements under the coordinated fuel economy and tailpipe greenhouse gas emissions rules by applying fuel-sipping technologies to their vehicles or cashing in so-called credits earned by over-complying with the standards in previous years.

The industry overall used credits to meet carbon-reduction requirements in both the 2016 and 2017 model years, but relied on fewer credits in 2017, the EPA said.

Automakers spent about 7 percent of the industry’s total credit balance and the EPA says carmakers still have a large bank available entering model year 2018. The agency said, though, that three automakers hold more than half of all current credits, 92 percent of which will expire at the end of model year 2021 under the rules.

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