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Feds: Automakers averaged over 25 mpg in 2018 model year

Keith Laing, The Detroit News Published 6:32 p.m. ET March 2, 2020 | Updated 9:32 a.m. ET March 3, 2020

Washington — Automakers achieved a record-high average of 25.1 miles per gallon for vehicles made during the 2018 model year, according to data released Monday by the U.S. Environmental Protection Agency.

The figure was up slightly from the previous record of 24.9 miles per gallon that automakers averaged in the 2017 model year. But the industry fell short of marks set by the Obama administration, and most manufacturers only remained in compliance with the standards by cashing in credits from previous model years.

Preliminary fuel economy for the 2019 model year, which will not be finalized until 2021, is projected to be 25.5 mpg.

The findings come as President Donald Trump's administration is nearing finalization of a move to ease stringent gas mileage rules that could affect models made after 2021 after a three-year push to roll back Obama-era fuel-mileage rules. They would have required automakers to produce fleets that average nearly 55 miles per gallon in EPA ratings by 2025, which equates to roughly 40 mpg in real-world driving conditions that typically account for about a 20% drop in fuel economy.

Automakers were required by the Obama-era mileage rules to achieve a fleetwide average of about 29 miles-per-gallon in "real world" testing for 2018.

EPA Administrator Andrew Wheeler said in a statement the agency's latest auto trends report "provides insights into consumer choice and current market trends" that explain the Trump administration's position that stringent Obama-era mileage rules should be rolled back.

"Once again we see marginal improvements in fuel economy, but they are yet a far cry from the unfeasible Obama administration's standards," Wheeler said. "These concerns are top of mind and play a key role in the finalization of our Safe Affordable Fuel Efficient Vehicles Rule with the U.S. Department of Transportation, which when finalized will reduce the cost of new vehicles and protect consumer choice."

The Trump administration has since slightly backtracked on the push to freeze the Obama-era mpg rules, calling for reducing the required annual fleetwide average mpg increases for carmakers for model years 2021-26 from the original 5% to a less-stringent 1.5%.

Mileage rules for cars have been at the center of controversy since the earliest days of Trump's presidency. Automakers had asked the Trump administration to take another look at fuel-economy rules.

Those Obama-era standards would have required automakers to increase fleetwide fuel economy by about 5% annually toward a goal of 54.5 miles per gallon by 2025. The Obama administration moved to finalize the rules ahead of schedule after Trump's 2016 victory, setting off a chain of events that has led to the current dispute.

Trump went beyond what most automakers were seeking by proposing a freeze that would lock in mpg rates until 2026 at 2020 levels, when carmakers would be required to produce fleets that average about 39 miles per gallon.

California, which helped craft the Obama-era rules, sued over the rollback and has promised to also sue over the revocation of its right to set its own more-stringent mpg requirements. The nation's largest state accounts for 12% of the U.S. auto market. Thirteen states and Washington, D.C., have adopted California's gas mileage rules.

Under a deal negotiated directly between the California Air Resources Board and Ford Motor, Volkswagen, Honda and BMW, the automakers agreed to voluntarily increase the average fuel economy of their fleets from 2021 levels by 3.7% per year, reaching an average of nearly 50 mpg by 2026.

Tesla led all automakers for 2018 with an average of 113.7 miles per gallon for its fleet, followed by Honda with an average of 30 miles per gallon. Subaru and Mazda followed with averages of 28.7 miles per gallon and Hyundai rounded out the top five with an average of 28.6 miles per gallon.

Detroit manufacturers lagged behind foreign-owned competition in meeting the stringent fuel economy standards now under review by the Trump administration.

General Motors Co., Ford Motor Co. and Fiat Chrysler Automobiles U.S. LLC ranked 12th, 13th and 14th respectively among 14 manufacturers who were measured. GM averaged 23 miles per gallon, while Ford averaged 22.4 and Fiat Chrysler averaged 21.7.

Under the Obama administration's rules, automakers face fines of \$5.50 for each one-10th of a mile-per-gallon their average fuel economy falls short of the standard for a model year, multiplied by the total volume of vehicles sold. Automakers are allowed to purchase credits from other automakers — like electric-car company Tesla — that come in under the mileage requirements.

Environmentalists have decried the Trump administration's efforts to roll back the Obama administration's proposed gas mileage rules. They see it as a further unraveling of Obama's environmental legacy that could accelerate global warming.

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klaing@detroitnews.com

(202) 662-8735

Twitter: @Keith_Laing

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