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Volvo Opts for California's Stricter Fuel Economy Rules

The Swedish carmaker says tougher California targets align more with its corporate goals

By Jeff Plungis April 01, 2020

With the ink barely dry on federal fuel economy rules, Volvo said Wednesday that it intends to comply with stricter mpg rules it has been negotiating with the state of California—showing that global pressure to improve technology and combat climate change could push the auto industry to go beyond federal requirements.

On Tuesday, the <u>Trump administration announced final regulations</u> to set fuel efficiency for model years 2021-26. The revised federal rules call for the combined averages of a company's models to improve by about 1.5 percent a year, down from 5 percent a year under rules adopted by the Obama administration in 2012.

The <u>California program</u> calls for year-over-year improvements of about 3.7 percent from 2022 to 2026. The California targets better align with Volvo's broader goals, the company said in an email to Consumer Reports. That includes making every model it sells either a hybrid or all-electric as it tries to reduce carbon emissions.

Volvo says it is still negotiating a final agreement with the California Air Resources Board.

"A nationwide agreement that is consistent with Volvo Cars global electrification strategy and our goal to be climate neutral by 2040 has not happened," Volvo said in its statement. "We believe this is the best path forward for U.S. regulatory certainty."

Volvo would become the fifth automaker to join California's voluntary agreement on fuel economy and carbon emissions from motor vehicles. The automaker joins BMW, Ford, Honda, and Volkswagen, which announced a deal with California in July. The state is allowed to set its own stricter emissions requirements under the Clean Air Act, and its rules have been adopted by 14 other states. But that authority is being challenged-in-court by-the-Trump administration.

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Correction: This version has been changed to reflect that Volvo and California are still negotiating a final agreement on fuel economy rules. An earlier version incorrectly stated that Volvo and California had finalized an agreement and that Volvo had "announced" a deal.

 $\underline{https://www.consumerreports.org/volvo/volvo-opts-for-californias-stricter-fuel-economy-rules/}$