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## On the road to fuel efficiency

By Jordan Wolman  
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**KEEP ON TRUCKING** — The data is in, and automakers are certainly not partying like it’s 2012.

Fuel economy for new cars in model year 2021 reached an average of 25.4 miles per gallon. That’s the highest ever recorded by the U.S. Environmental Protection Agency, [according to a new EPA report on vehicle trends](#) — besides 2020, when they reached the same level.

But it’s also a far cry from the fuel efficiency standards implemented in 2012 by then-President Barack Obama, which called for a [5 percent annual increase in fuel economy](#), before those rules were gutted during the Trump administration. The Obama-era rules aimed for a real-world efficiency of roughly 37-39 miles per gallon in 2025.

The findings are significant given that the transportation sector is the [most-polluting industry in the U.S.](#)

Carbon emissions for last year’s new cars — the EPA reports are usually a year behind the latest model in order to gather complete data — also reached a record low, dropping about 0.6 percent from the year before.

A large reason for the relative stagnation is market shifts. Last model year, sedans and wagons — the vehicle type with the highest fuel economy and lowest CO2 emissions — fell to 26 percent of the market from 50 percent in 2013. Conversely, truck SUVs reached a record 45 percent of the market in model year 2021, and pickups increased to 16 percent market share.

Of the 14 large manufacturers, five delivered worse fleet-wide gas mileage and emissions compared with their 2016 numbers: Hyundai, Mazda, Volkswagen, GM and Stellantis (formerly

Fiat Chrysler). The big three U.S. automakers — Stellantis, GM and Ford — delivered the worst fuel efficiency and the most pollution out of the 14 automakers.

Shifts in production are at least partly to blame: Mazda's 2021 model vehicles were 61 percent truck SUVs, up from 33 percent. Volkswagen managed a shift in production from 21 percent to 66 percent truck SUVs that "more than offset emission reductions within each vehicle type," according to the EPA report. A similar production shift occurred at GM, which also more than offset emission improvements in all other vehicle types.

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Still, all automakers are in compliance with greenhouse gas standards through model year 2020. The EPA operates a compliance system that allows automakers to meet the standards on a fleet average basis, meaning companies with lower emissions can generate credits to be sold to other manufacturers. Automakers with emissions above the standards end the year in a deficit, which they can offset with credits earned in future model years or purchased from another manufacturer.

Kia and Mercedes-Benz ended model year 2021 with deficits, giving them three years to offset the gap before enforcement action might be taken by the EPA. Just five of the 14 large automakers — Tesla, Ford, Honda, Toyota and Subaru — produced vehicles with GHG emission performance below their standard, while all others (besides Kia and Mercedes) relied on banked or purchased credits to achieve compliance.

Stellantis, the biggest polluter, bought by far the most credits out of the 14 large manufacturers. Tesla sold the most credits, since its fleet is entirely electric.

Four percent of all new cars last year were electric vehicles.

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