

President Obama Announces Historic 54.5 mpg Fuel Efficiency Standard

Consumers will save \$1.7 trillion at the pump, \$8K per vehicle by 2025

WASHINGTON, DC – President Obama today announced a historic agreement with twelve major automakers to pursue the next phase in the Administration’s national vehicle program, increasing fuel economy to 54.5 miles per gallon for cars and light-duty trucks by Model Year 2025. The President was joined by GM, Ford, Chrysler, Toyota, Nissan, Honda, Hyundai, BMW, Volvo, Mazda, Mitsubishi and Jaguar – which together account for over 90% of all vehicles sold in the United States – as well as the United Auto Workers (UAW), and the State of California, who were integral to developing this agreement.

“This agreement on fuel standards represents the most important step we’ve ever taken as a nation to reduce our dependence on foreign oil,” said President Obama. “Many of these companies were part of an agreement we reached two years ago to raise the fuel efficiency of their cars over the next five years. By 2025, the average fuel economy of their vehicles will nearly double to almost 55 miles per gallon.”

Building on the Obama administration’s agreement for Model Years 2012-2016 vehicles, which will raise fuel efficiency to 35.5 mpg and begin saving families money at the pump this year, the next round of standards will require performance equivalent to 54.5 mpg by 2025.

These programs combined with the model year 2011 light truck standard represent the first meaningful update to fuel efficiency standards in three decades and span Model Years 2011 to 2025. Together, they will save American families \$1.7 trillion dollars at the pump, and by 2025 result in an average fuel savings of over \$8,000 per vehicle. Additionally, these programs will dramatically cut oil consumption, saving a total of 12 billion barrels of oil, and by 2025 reduce oil consumption by more than 4 million barrels of oil a day – more than America currently imports from the Persian Gulf, Venezuela, and Russia combined.

The standards also curb carbon pollution, cutting more than 6 billion metric tons of greenhouse gas over the life of the program – equivalent to an entire year’s worth of carbon dioxide emissions from the United States. The oil savings, consumer, and environmental benefits of this comprehensive program are detailed in a new report, [*Driving Efficiency: Cutting Costs for Families at the Pump and Slashing Dependence on Oil*](#), which the Administration released today.

The Environmental Protection Agency (EPA) and the Department of Transportation (DOT) have worked closely with auto manufacturers, the state of California, environmental groups, and other stakeholders for several months to ensure these standards are achievable, cost-effective and preserve consumer choice. The program would increase the stringency of standards for passenger cars by an average of five percent each year. The stringency of standards for pick-ups and other light-duty trucks would increase an average of 3.5 percent annually for the first five model years and an average of five percent annually for the last four model years of the program, to account for the unique challenges associated with this class of vehicles.

“This is another important step toward saving money for drivers, breaking our dependence on imported oil and cleaning up the air we breathe,” said EPA Administrator Lisa P. Jackson. “American consumers are calling for cleaner cars that won’t pollute their air or break their budgets at the gas pump, and our innovative American automakers are responding with plans for some of the most fuel efficient vehicles in our history.”

“These standards will help spur economic growth and job creation, protect the environment, and strengthen our national security by reducing America’s dependence on foreign oil,” said U.S. Transportation Secretary Ray LaHood. “Working together, we are setting the stage for a new generation of clean vehicles.”

A national policy on fuel economy standards and greenhouse gas emissions provides regulatory certainty and flexibility that reduces the cost of compliance for auto manufacturers while addressing oil consumption and harmful air pollution. Consumers will continue to have access to a diverse fleet and can purchase the vehicle that best suits their needs.

EPA and NHTSA are developing a joint proposed rulemaking, which will include full details on the proposed program and supporting analyses, including the costs and benefits of the proposal and its effects on the economy, auto manufacturers, and consumers. After the proposed rules are published in the Federal Register, there will be an opportunity for public comment and public hearings. The agencies plan to issue a Notice of Proposed Rulemaking by the end of September 2011. California plans on adopting its proposed rule in the same time frame as the federal proposal.