

The Benefits of Clean Car Standards in New Jersey

Lowering Emissions Helps the Climate and Local Economy

HIGHLIGHTS

The National Program to increase fuel efficiency and reduce global warming emissions from our cars and trucks is the biggest and most important step the country has ever taken to reduce our use of oil. Thanks to this program, drivers in New Jersey will be able to drive cleaner cars that use the latest technology to consume less gas and produce less pollution. This program will reduce emissions, save consumers money and help grow our economy. It represents a critical part of the climate and energy strategy of New Jersey. It is critical that this program be fully implemented through 2025 to achieve maximum benefits.

New Jersey has set ambitious goals to reduce its global warming pollution—goals that will require significant progress in reducing emissions from transportation. Transportation is New Jersey’s largest source of emissions, responsible for 41 percent of statewide emissions (Aucott, Kaplan, and Herb 2015), most of which come from passenger vehicles.

To reduce global warming emissions from cars and trucks, New Jersey is relying on national standards for fuel economy and global warming emissions. These standards, which represent the largest single step ever taken to improve the efficiency of light-duty vehicles, are a critical part of the state’s climate strategy.

In addition to helping New Jersey achieve its emissions reduction goals, these standards will cut oil use and provide significant benefits to consumers, public health, and the broader economy. Indeed, analysis by the Union of Concerned Scientists (UCS) shows that these regulations are already benefiting New Jersey and could continue to do so, even at an accelerated pace, over the next decade.

Thanks to this program, cars and trucks are becoming more efficient, producing lower emissions, and putting money back in the hands of consumers. However, a governmental review of the standards is now underway, which gives detractors an opportunity to try to undermine the program.

Strong Standards Set, But Now Imperiled

Following California’s lead in setting emissions standards for cars and trucks, which were subsequently adopted by 14 state governments (including New Jersey), in 2010 the US Environmental Protection Agency and the US National Highway Traffic Safety Administration issued joint fuel efficiency and emissions standards for cars and trucks sold in model years 2012–2016. Two years later, this



The National Program to increase fuel efficiency and reduce global warming emissions from our cars and trucks is helping households in New Jersey drive cleaner cars that use the latest technology to consume less gas and produce less pollution. These standards must be maintained in order for New Jersey to continue achieving high fuel efficiency and emissions reductions.

program was extended to cover model years 2017–2025, thereby establishing long-term guidelines for cutting fuel use—and reduce global warming emissions—from the average new car or truck by nearly 50 percent (UCS 2013).

These two standards, commonly referred to as the National Program, represent the biggest and most important step the United States has ever taken to reduce its consumption of oil and curtail global warming pollution from the transportation sector. When the program has been fully implemented, it stands not only to nearly double the fuel efficiency of cars and trucks and save consumers billions of dollars, but also decrease New Jersey’s emissions of global warming pollution by more than 9 million tons per year.

Yet these goals may be in jeopardy. This year, federal agencies began a midterm review of the National Program for model years 2022–2025 to determine whether the standards should be adjusted. As our analysis shows, the full implementation of this program will be critical for New Jersey to protect its consumers from volatile oil prices, grow its economy, and achieve state global warming emissions targets.¹

Delivering Benefits to New Jersey Consumers

The National Program has already improved the fuel economy of all kinds of passenger vehicles, thereby cutting oil use and saving money for households throughout New Jersey.² Specifically, we estimate that:

- Since 2011, the vehicle standards have reduced oil consumption in the state by 205 million gallons.
- As a result, New Jersey drivers have saved \$648 million—the equivalent of \$180 per household—in fuel costs over the past four years.
- By 2030, the average resident will have saved more than \$2,750 as a result of the program.

Strengthening the New Jersey Economy

By saving money at the pump, consumers will have more to spend in other sectors of the economy—from education to household needs—which can produce good local jobs (BLS 2012a). This means a stronger economy in New Jersey that is more resilient to fluctuations in the global price of oil.

- By 2030, the National Program is estimated to decrease overall oil consumption in New Jersey by 868 million gallons per year, saving consumers \$2.9 billion in reduced gas expenses.
- As a result, the program is estimated to create more than 15,000 jobs in the state and increase its gross domestic product by more than \$1.5 billion by 2030 (Ceres 2011).

Reducing Emissions from Transportation

The National Program is the most important policy instrument we have for achieving New Jersey’s emissions goals and ensuring that the state continues to make progress toward a clean and sustainable future. In the face of low gas prices and the resulting increased driving distances, these vehicle standards are a cornerstone of the state’s strategy to curtail transportation emissions.

- The National Program has already reduced annual transportation-related emissions in New Jersey by 935,000 metric tons.
- By 2030, the program will have lowered the state’s global warming emissions by 9.3 million metric tons per year, the equivalent of shutting down two coal-fired power plants.

The Critical Role of State Leadership

The National Program set historically ambitious standards because the strong leadership of state governments pushed the envelope and catalyzed federal action by adopting vehicle standards first. As a result, New Jersey is now counting on this program to achieve its climate goals, protect its consumers, and grow its economy. The state’s leaders must make it clear to policymakers in Washington that the national standards need to remain strong through 2025 and beyond.

1 This analysis utilizes the methodology of UCS and NRDC 2010, updated to reflect the most recent census data (US Census Bureau 2016) and latest projections of energy consumption (EIA 2015).

2 Data for all 50 states can be found at www.ucsusa.org/FuelEconomySavings.

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