

# Clean Car and Truck Standards (MY2017-2025)

## FACT SHEET

### A CRITICAL FIRST STEP IN REDUCING OIL CONSUMPTION

The Obama administration is making history by setting standards that will nearly double the fuel economy of new cars and light trucks by 2025.<sup>1</sup> The second round of fuel efficiency and global warming pollution standards for light duty vehicles, which was recently finalized by the U.S. Environmental Protection Agency and U.S. Department of Transportation, covers model years (MY) 2017-2025. This second round builds on the success of the MY 2012-2016 standards, which are already benefitting car buyers nationwide.



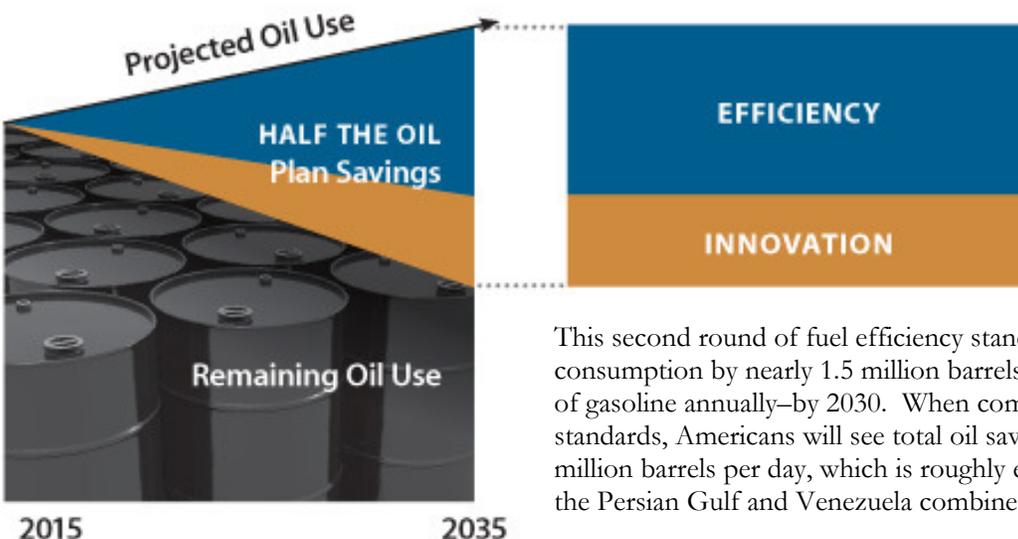
No other federal policy has delivered greater oil savings, consumer benefits and global warming pollution reductions than these two rounds of standards.

These standards will reduce America's oil consumption, save consumers money at the gas pump, and protect public health and the environment by curbing global warming pollution. They will also help spur investments in new automotive technology, creating jobs and helping sustain the recovery of the American auto industry.

No other federal policy has delivered greater oil savings, consumer benefits and global warming pollution reductions than these two rounds of standards. That is why automakers, unions, consumer organizations, national security experts, environmental groups, and science-based organizations all stand in strong support of these standards.

## Clean car and truck standards mean reduced oil consumption

Nearly doubling the average fuel efficiency of new cars and light trucks is the single biggest step our nation can take to reduce oil use. Without oil-saving steps like these standards, the United States will be stuck spending, economy wide, nearly



\$2 billion every day on dirtier, harder-to-reach oil. The good news is that we don't have to choose that reality. Instead, we can cut our projected oil use in half over 20 years by combining the MY 2017-2025 standards with other smart policies and investments in better technology.

This second round of fuel efficiency standards alone will cut oil consumption by nearly 1.5 million barrels per day—about 22 billion gallons of gasoline annually—by 2030. When combined with the first round of standards, Americans will see total oil savings in 2030 of more than 3 million barrels per day, which is roughly equal to the current imports from the Persian Gulf and Venezuela combined.

## Clean car and truck standards mean jobs for American workers

The MY 2017-2025 standards will result in more jobs for Americans in the auto and supplier industries and throughout the economy.

Investments in technology to meet the new standards will create jobs in the auto manufacturing sector as companies hire more engineers and skilled workers to design and build more efficient vehicles. And, as American's spend less money on gasoline, they will spend more in other, more productive, parts of the economy, generating new jobs in the service, sales, and manufacturing sectors.



The promise of new jobs is already being realized. In May 2012, Ford added a third shift to its Cleveland Engine Plant, which makes the EcoBoost engine, and Chevrolet added 200 workers to its Detroit-Hamtramck plant, which makes the Chevy Volt.

**How many jobs?** A June 2012 study by the Blue Green Alliance found that the second round of standards alone will create an estimated 570,000 jobs (full-time equivalent) throughout the U.S. economy by 2030, including 50,000 in light-duty vehicle manufacturing (parts and vehicle assembly).

## Clean car and truck standards mean serious savings for consumers

Making our cars and trucks go farther on a gallon of gasoline is a powerful way to save Americans millions of dollars every day. With the new standards, consumers will keep more money in their pockets instead of spending it on gas, even after accounting for the cost of the fuel-saving technology. In fact, since most consumers finance the purchase of their new vehicle, they will save money from the moment they drive off the lot, with fuel savings that will be greater than the increase in their monthly loan payments.

**How much money?** The 2017-2025 standards will save consumers about \$50 billion in 2030. Adding in the first round of standards brings the savings to more than \$140 billion in that year alone. When compared to a typical vehicle on the road today, a new car buyer will save more than \$8,000 over the lifetime of a new 2025 vehicle even after paying for the more fuel-efficient technology.<sup>2</sup>

## Clean car and truck standards mean cleaner air and a healthier environment

For every gallon of gasoline saved as a result of the standards, approximately 25 pounds of global warming pollution is avoided. Drilling, refining, and distributing gasoline account for about 6 pounds of global warming pollution per gallon of gasoline, and burning gasoline during vehicle operation produces another 19 pounds of global warming pollution per gallon.

**How many tons of global warming pollutants will be avoided?** The MY 2017-2025 standards alone would reduce global warming pollution by as much as 270 million metric tons (MMT) in 2030. This is equivalent to shutting down 65 typical coal-fired power plants for an entire year.

### Endnotes:

1. The actual Corporate Average Fuel Economy (CAFE) standard is expected to be about 49.6 mpg in 2025, with the remaining 5 miles per gallon equivalent reached through improvements to in-car air conditioners (better efficiency, reduced leaks and use of refrigerants with a lower impact on the climate). Because CAFE compliance tests do not reflect real-world driving, the average on-road fuel economy of cars and light trucks is expected to be 36-40 mpg by 2025, up from 21 mpg today. See [http://www.ucsusa.org/assets/documents/clean\\_vehicles/Translating-Standards-into-On-Road.pdf](http://www.ucsusa.org/assets/documents/clean_vehicles/Translating-Standards-into-On-Road.pdf) for more information.
2. Fuel saving calculation based on the following assumptions: base vehicle fuel efficiency of 26.3 miles per gallon on government tests (approx. 21 mpg on-road), with lifetime mileage of approximately 190,000 miles. The proposed standards are anticipated to achieve a fleet CO<sub>2</sub>-e average of 163 grams per mile in 2025. If met only with fuel efficiency improvements, that would be the equivalent of 54.5 mpg on government tests. In reality, the standards will be met with a combination of improved fuel efficiency, better fuels, and improved air conditioning systems, leading to a fuel efficiency average of about 50 mpg on CAFE tests. A vehicle meeting this level would achieve about 37 mpg during actual operation. Future fuel costs and savings are discounted at an annual rate of 4.5% (consistent with the average annual rate of return of the Dow Jones Industrial Average, in real terms, between 1992 and 2012). A 10% rebound effect is used for mileage under increased fuel efficiency.

The Union of Concerned Scientists is the leading science-based nonprofit working for a healthy environment and a safer world.



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