



## Consumer Federation of America

# How Does California Clean Cars Program Benefit Consumers & Help Achieve a National Goal of 54.5 MPG by 2025?

## Collaboration for Consumer and Economic Benefit

Today, President Obama released the Federal Notice of Proposed Rulemaking to implement a 54.5 miles per gallon by 2025 standard. This action solidifies an agreement between federal and state agencies to implement a combined standard that reflects a number which combined both the EPA's greenhouse gas (GHG) emissions standard and NHTSA's fuel economy standard for light duty vehicles.

The California's Air Resources Board is also releasing updates to its Low Emissions Vehicle (LEV)/Zero Emissions Vehicle (ZEV) and the Clean Fuels Outlet components of its Clean Cars Program. California is also updating its greenhouse gas emissions standard, which was developed in conjunction with the EPA.

With this announcement, California continues its role as a leader in stimulating innovation in the automobile market by striking the right balance between setting achievable targets and pushing automakers to employ new technologies that are already being deployed to showrooms across the nation. Fourteen states and the District of Columbia adopted the previous round of updates to California's clean car standards and are poised to take action on the current round.

As luck (and the laws of nature) would have it, when fuel economy improves, pollution emissions are reduced. A coordinated program is a win-win-win for consumers, the nation and the environment and the public "gets it."

## Unprecedented Support for 54.5 MPG Target by 2025

The target is supported by thirteen automakers, the UAW, consumers, organized labor and environmental groups. It was developed in conjunction with the California Air Resources Board effectively implementing one national standard for GHG emissions and fuel economy.

## Consumer Support for Fuel Economy Standards

The Consumer Federation of America, as a federation of national, state and local organizations founded to represent the consumer interest in Washington D.C., has been working with member groups in the Clean Cars states, as well as in Washington, to ensure that the standard setting for automobiles is responsible and in the public interest, while pursuing several key policy goals.

Our survey analyses over the past six years show that the public strongly supports higher standards for automobiles as a pocketbook issue, as a national security issue and as an environmental issue.

## Benefits to Achieving the 54.5 MPG Target by 2025

The policy of setting the U.S. on a steady long-term path to higher fuel economy benefits consumers, the nation and the environment. Specifically, it will:

- Save consumers about \$6,000 per vehicle
- Cut imports by about 1 billion barrels
- Reduce greenhouse gas emissions by half a billion metric tons

## The Vital Role of California and the Clean Cars Program

A decade ago, when California first adopted innovative LEV/ZEV standards that would require hybrid and electric vehicles, the **automakers insisted it could not be done**, but California stood its ground. Today, there are thirty models available from all of the major automakers and the Prius is the best buy in its vehicle class.

The updated ZEV component of achieving a 15 percent market penetration of zero emission vehicles by 2025 in the CARB proposal fits well within the long term plan and will play a central

role in assuring that we will reach 54.5 mpg by 2025.

In order to achieve the long-term goal, electric vehicles will have to become a steadily increasing part of the vehicle fleet. Adoption of new technologies follows a specific pattern, with a slow initial period and then a rapid uptake. Leading the way on these Zero Emission Vehicles, California and the other Clean Cars states will spur steady progress in both the technology and consumer acceptance.

## 2011 Oil Price Spike Makes Higher Fuel Economy Standards Even More Important

The oil price spike of 2011 gives consumers even more reason to support these standards.

The oil price spike of 2011 will:

- Drive household gasoline expenditures to a record level this year of about \$2900 per year and
- Put the oil import bill at about \$400 billion, making it by far the largest single cause of our trade deficit

When these huge sums of money are drained out of consumers' pockets and out of the economy, the result is a dramatic slowdown in the economy.

## Fuel-efficient Cars Are In Demand - LA Auto Show Is Proof That Car Makers Agree

The LA Auto Show is a glimpse into what strong fuel efficiency standards will bring. It is clear that:

- Technologies exist to meet the goal in a cost effective and consumer friendly manner
- Automakers have the fuel saving technologies and consumers are willing to buy them
- Federal and state agencies have the power and flexibility to continue to set strong standards

## Consumers Support State Rights to Set Higher Standards Than the Federal Gov't

According to CFA's latest poll, over 60% of consumers support states maintaining their ability to set emissions standards that are stronger than the Federal Standard (emissions standards often have the effect of increasing fuel economy).