

Obama May Propose Auto-Fuel Standard Topping 60 MPG, Groups Say

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By John Hughes

Sept. 30 (Bloomberg) -- The Obama administration may recommend that automakers increase the fuel economy of their vehicles to as much as 62 miles per gallon, almost double the current goals, by 2025, two environmentalist said.

The U.S. may announce as soon as tomorrow a goal to raise fuel economy 3 percent to 6 percent a year starting in 2017, according to Dan Becker of the Safe Climate Campaign and Roland Hwang of the Natural Resources Defense Council. A 3 percent boost would result in a fuel-economy standard of 47 mpg by 2025 and 6 percent would push the level to 62 mpg, they said today in interviews.

Becker said his comments are based on knowledge of deliberations within the government.

"It should be 6 percent because that is consistent with the best technology," Becker, director of the Washington-based Safe Climate and former head of the Sierra Club's global warming program, said in an interview. "It's auto mechanics. It can be done and has to be done."

Environmentalists are pressing for more aggressive fuel- economy targets after President Barack Obama in a rule last April required automakers to meet 5 percent annual increases, building to 35.5 mpg for 2016 models. In May, Obama ordered his administration to release a timeline and potential targets for 2017-2025 models.

Olivia Alair, a Transportation Department spokeswoman, declined to comment on potential mileage targets. The department includes the National Highway Traffic Safety Administration, which helps craft the mileage standard.

The Alliance of Automobile Manufacturers, the Washington trade group for companies including General Motors Co., Chrysler Group LLC and Ford Motor Co., declined to speculate on the targets Obama may announce.

'Affordable Cost'

“We’re hopeful that the notice recognizes the challenges and the cost associated with introducing advance-technology vehicles,” said Charles Territo, the alliance spokesman. “It is important that manufacturers have the necessary lead times needed to implement new technologies at an affordable cost.”

By releasing a target range, the administration would signal its plans for fuel-economy targets, while crafting of a final rule with specific goals for light vehicles is still months away.

The Natural Resources Defense Council, based in New York, has conducted an analysis showing a 60 mpg standard can be set with a U.S. vehicle fleet that is 55 percent hybrids, 15 percent plug-in electrics and 30 percent advanced-gasoline cars, said Hwang, the group’s transportation program director.

“There’s pretty much a widespread expectation that the proposal will include a range of 3 to 6 percent,” Hwang said. “Our own analysis shows the higher end is achievable.”

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