

DETROIT — The U.S. government says the nation's cars and trucks are well on their way to meeting fuel economy and emissions standards set for 2025.

But if gas prices stay low and consumers keep buying less-efficient vehicles like SUVs, the government could lower those standards. Automakers argue that meeting the requirements is difficult.

A report on the standards was issued Monday by the U.S. Environmental Protection Agency, the U.S. Department of Transportation and the California Air Resources Board. The report kicks off a two-year review that will determine whether to keep the 2025 fuel economy and greenhouse gas emissions targets in place or change them.

Under standards set in 2012, automakers' fleets were expected to get an average of 54.5 miles per gallon by 2025. That's not the real-world mileage vehicles will get; it includes credits for things like more efficient air conditioning systems. The real-world mileage is closer to 40 miles per gallon.

The government calculates an automakers' average based on the vehicles it sells. A company could fail to meet standards on pickup trucks but exceed them with fuel-efficient cars and still meet the requirements, said Alan Baum, a consultant in Detroit who advises automakers on fuel-economy regulations. But if it fails to sell those cars and only sells the pickup trucks, it could wind up being fined.

As gas prices have fallen, truck and SUV sales have risen. That means the 54.5 mpg standard may no longer be realistic, since automakers are selling more trucks and SUVs and fewer cars than the government anticipated in 2012. The government now forecasts average fuel economy between 50 mpg and 52.6 mpg in 2025, depending on the price of gas. But EPA officials said that the numbers could continue to change.

The report noted that in October 2012, when the fuel economy standards were finalized, U.S. average gas prices were \$3.87 per gallon. They ended 2015 at \$2.15 per gallon.

So far this year, sales of the Toyota Prius hybrid are down 25 percent while sales of SUVs and other light trucks are up 9 percent, according to Autodata Corp.

But gas prices alone aren't likely to convince the government to weaken the standards adopted in 2012. The report says automakers can meet the original 2012 targets by continuing to make more advanced gasoline engines; the EPA says only about 2 percent of vehicles would need to be hybrids or electric vehicles to meet the standards.

"Today's draft report shows that automakers are developing far more technologies to improve fuel economy and reduce greenhouse gas emissions, at similar or lower costs, than we thought possible just a few years ago," said Janet McCabe, acting assistant administrator for EPA's Office of Air and Radiation.

The government says 100 car, SUV, and pick-up truck versions on the market today already meet fuel economy standards targeted for 2020 or later. Automakers also have been making more use of lightweight materials, like aluminum, and improving vehicles' aerodynamics. They're also adding features like stop-start technology, which automatically shut down the engine and save fuel while a vehicle is stopped in traffic.

Those advances come at a cost. The EPA estimates the fuel economy standards will cost \$1,017 per vehicle between 2021 and 2025, while NHTSA estimates they will cost up to \$1,245 per vehicle. The agencies differ on how much consumers would save in gas, but they estimate it's between \$680 and \$1,620 per vehicle.

Those costs, and consumers' reluctance to buy the smallest, most fuel-efficient vehicles, mean the auto industry will likely argue that the standards should be relaxed. The Alliance of Automobile Manufacturers, a lobbying group that represents 12 automakers, including BMW, Toyota and General Motors, says meeting the standards is "a daunting challenge."

"Absent a vigorous commitment to focus on marketplace realities, excessive regulatory costs could impact both consumers and the employees who produce these vehicles," the alliance said in a statement.

But environmental groups will urge the government to strengthen the standards. In a statement, Sierra Club President Andrew Linhardt said the report proves that the standards are working.

"Due to technological innovation, our cars are cleaner and more efficient than ever before," he said.

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