

POLITICS 

## Obama unveils emissions limits

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**WASHINGTON -- President Obama today issued the toughest emission and mileage standards in history for new cars sold in the United States, a move environmentalists hail as the first step ever by the U.S. government to curb global warming.**

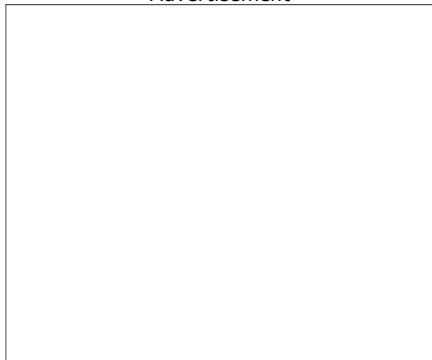
**[INTERACTIVE: [Click here to find out more about emissions in the Houston area](#)]** "In the past, an agreement such as this would have been considered impossible," Obama said. "That is why this announcement is so important, for it represents not only a change in policy in Washington, but the harbinger of a change in the way business is done in Washington."

Obama said the rule will provide "the clear certainty that will allow these companies to plan for a future in which they are building the cars of the 21st century."

In the sweeping changes, the White House ordered automakers to significantly increase the gas mileage of the cars they make and significantly reduce the amount of pollution they emit. Car companies will also be forced to cut the amount of greenhouse gas emissions in new cars by about 25 percent.

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The average current fuel-efficiency standard for cars and light trucks is 25 miles per gallon. With the president's announcement today, that standard will go up to 35.5 miles per gallon by 2016.

This is four years earlier than what the current law requires, and is an average 5

percent per year increase in fuel efficiency from 2012 through 2016.

The changes will likely mean higher price tags on new cars for consumers, but the administration says the increase in mileage standards will negate that initial expense by lowering fuel costs.

"It will clearly be more expensive to meet these tighter standards," said Paul R. Portney, dean of the Eller College of Management at the University of Arizona.

The new energy-efficient cars will cost on average about \$1,300 more per car by 2016, according to a senior Obama administration official. But the Environmental Protection Agency says Americans will make that money back in fewer trips to the pump over three years.

"There are immediate savings, obviously, to the consumer because of the fuel savings. For people who buy their cars on time, over a 60-month loan, which is about 70 percent of the American people, on a month-to-basis it may end up being a wash in terms of the slight increase in the price of the car, but that is offset by the lower gasoline used," a senior Obama administration official said.

Experts compare the new cars to energy-efficient lightbulbs. A regular bulb costs \$2.99, and the energy-efficient one is \$12.99. But in the long run, the product that is more energy efficient will not just save energy but save money in the long run.

"Citizens in the United States will get better mileage on their cars. They will spend less on gasoline each year," said Portney.

White House energy and climate director Carol Browner said U.S. automakers expressed their desire to the administration to make more fuel-efficient cars and wanted the government to give them the predictability and certainty of a national standard so they could make investments toward cleaner vehicles.

Browner refused to comment on whether the Obama administration may consider a tax on gasoline, which some say could also reduce the United States' dependency on foreign oil.

"We work, obviously, within the laws on the books," Browner said on "Good Morning America" today. "And what we're using is the president's executive authority to propose these standards, and it is the first-ever time that EPA and DOT [Department of Transportation] have taken their existing individual authorities and woven them together so that we can give the American public and the car companies what they want."

### **Environment and Energy Savings**

There is, of course, an environmental impact of the president's decision. The administration says the change, over the lifetime of the new vehicles' lives, will reduce emissions by 900 million metric tons, or enough to be comparable to taking 177 million cars off the road or shutting down 194 coal-fired power plants.

Through 2016, it will save 1.8 billion barrels of oil that will not have to be imported from countries like Saudi Arabia, according to the Obama administration.

"All companies will be required to make more efficient and cleaner cars," a senior Obama administration official said. "We did that by proposing individual standards for each class size of vehicles and then a fleet average for each company. This has the effect of preserving consumer choice. You can continue to buy any particular car you'd like."

"Consumers can maintain their choice, but they will just be more fuel-efficient cars."

Dan Becker, director of the Safe Climate Campaign, said he welcomed the changes.

"These decisions mean that we will guzzle less gas, save money at the pump, pollute a lot less," Becker said. "And that the automakers in the United States will be forced to finally compete with the Japanese manufacturers who have been beating them in the marketplace."

The plan comes ahead of the Memorial Day holiday, the traditional start of the summer driving season, and as fuel prices are beginning to spike again. The Department of Energy reported today that the national average price for a gallon of gas rose to \$2.31, up 7 cents in the past

week.

Although the auto industry has long opposed these moves initiated through administrative rulemaking, this time American and major foreign auto companies are onboard, working with the Obama administration on setting the new national standards.

Executives from several companies joined Obama in the Rose Garden for today's announcement.

Executives from several companies will be at the White House when the announcement is made Tuesday.

Jeremy Anwyl, CEO of Edmunds.com, an automotive Web site, says one reason is because automobile makers face a tangle of different state regulations that will now be replaced by a single national standard.

"If you take a look at the marketplace today, we have different fuel economy and environmental standards in California versus the federal government, and if you're a car company, that makes it hugely complicated, because you have to build different versions of the same vehicle, depending on where you plan to market," Anwyl said.

But one critical open question for automakers -- will these cars be as safe as the ones they are currently manufacturing, because of the timeline to produce them?

In the late 1970s, the United States pushed for better fuel efficiency very quickly, and the result was lemon cars like Chevrolet's Vega and Ford's Pinto.

"We don't want another episode of cars that were quickly engineered and manufactured and turned out to not to be very good cars for the car-buying public," Portnoy said.

### **After Federal Bailout, Car Companies Unable to Object**

Patrick Michaels, senior fellow in Environmental Studies at the Cato Institute, says car companies that are critical of the White House's move are not in much of a position to object, after the federal bailout of Chrysler and General Motors.

"U.S. automakers used to be U.S.

automakers. Now they're owned in part by the government. So the government can tell them pretty much what they want them to produce," Michaels said.

Also onboard is California Gov. Arnold Schwarzenegger and auto-friendly Michigan Gov. Jennifer Granholm, who were at the White House today for Obama's announcement.

Schwarzenegger has been leading the push for more environmentally friendly cars, by imposing tough standards on all new cars sold in California.

"California's relentless push for greenhouse gas reductions from automobiles is paying off not just for our state, but for all Americans, for our environment, for automakers and our economy," said Gov. Schwarzenegger in a statement. "This historic agreement to reduce greenhouse gases will mean cleaner air for our children and grandchildren, greater economic security as we rely less on foreign oil, and a chance at renewal for our auto industry. Today, we're seeing what happens when California leads on energy and the environment and doesn't waiver, doesn't get bogged down, doesn't let obstacles get in the way."

Also attending the announcement Tuesday were officials from the Department of Transportation, which is tasked with handling the new CAFE standards, and from the Environmental Protection Agency, which will handle the new greenhouse gas emission standards.

Environmentalists say the technology is already there to make cars to meet the new requirements. As evidence, they point to Japanese cars that already exceed these standards.

"The American manufactures know how to do it. They can and they will. This is going to force them to do it," Becker said.

Consumers will still be able to choose what kind of car they want to drive -- but those cars will just be fuel efficient.

"All companies will be required to make more efficient and cleaner cars," a senior administration official told ABC News. "We

did that my proposing individual standards for each class size of vehicles. This has the affect of preserving consumer choice, you can continue to buy any particular car you'd like."

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