Americans depend on affordable, reliable and readily accessible fuel and transportation options to get to work, school, community activities and more each day. AFPM believes that fuel economy standards must reflect these needs, and balance them appropriately with attainable efficiency targets.

Our position on Corporate Average Fuel Economy (CAFE) standards is clear: If standards are set too high, consumers will face higher costs and limited choices. When the automobile industry, California and the Obama administration reached a deal to set higher fuel economy standards nearly a decade ago, they all agreed to take a “mid-term evaluation” to see if the standards were set at the right level.

The government projected gasoline today would cost about $4 to $4.50 per gallon, and according to the Auto Alliance, it was projected that only 35 percent of all vehicles sold would be light trucks. Instead gasoline is well below $3 per gallon, and trucks now make up a majority of sales (51 percent in 2018). As the Auto Alliance pointed out in its testimony, “a pickup is the top-selling new vehicle in 289 congressional districts, or 66% of Congress.”

Because of this changed marketplace, the current fuel economy standards are no longer achievable. In fact, most of the major manufacturers are forced to comply by using credits they built up in earlier years of the program, when it was not as stringent. According to the Auto Alliance, in the model year 2017, ten of the top 13 manufacturers ran a deficit and only “a few” models available today would meet the model year 2025 standards. Clearly an adjustment is needed.

Americans should have a full range of choices of affordable vehicles and buyers are better situated than government bureaucrats in Washington or Sacramento, Calif., to balance price, reliability, safety, size, power, utility and other factors in buying a new car. The proposed midterm correction of the fuel economy standards would reduce average vehicle ownership costs by $2,340 while preserving the availability of a wide variety of fuel-efficient, hybrid and electric vehicles.

Like other associations and advocacy organizations, AFPM regularly works with policymakers, coalition groups and individuals to promote shared goals, and our engagement on CAFE reform is no exception.

More details on where we stand on the Safer Affordable Fuel-Efficient (SAFE) Vehicles rule to reform the 2021-2026 CAFE standards can be found in our AFPM’s official comments submitted to the National Highway Traffic Safety Administration (NHTSA) and U.S. Environmental Protection Agency (EPA). In short, we believe that:

Consumer choice — not de facto vehicle mandates — should dictate what vehicles automakers put on the market.

The current CAFE schedule is detached from consumer preferences and so stringent it would have required 58 percent of new vehicle sales to be electric, even though current sales hover around 3 percent.

In setting CAFE standards and projecting likelihood of electric vehicle (EV) adoption, government analyses vastly overestimated how much consumers are willing to pay for EVs, even with significant financial and policy incentives being offered. The SAFE Vehicles rule necessarily revisits and revises those projections.

Liquid fuels and internal combustion engines have an exceptional history of delivering increased efficiency and reduced emissions, helping Americans get more out of their cars.

Vehicle efficiency improvements have been made in recent years because of technological improvements to internal combustion engine vehicles. As EPA has reported, from model year 2004 to 2016, the average vehicle delivered 5.4 MPG better fuel economy while also increasing horsepower by 9.2 percent. Only 0.1 MPG of this benefit came from alternative fuel vehicles. These reductions are part of a larger trend that have seen CO_2 emissions drop by approximately 45 percent from model year 1976 to 2017. This trend continues as automakers innovate to develop cost-effective means of delivering more performance with smaller engines and less fuel — a great outcome for consumers and the country.

A unified, national standard is better for the country.

AFPM believes the return to national, unified fuel economy standards — set at reasonable levels reflected in the SAFE Vehicles rule — would be a positive step forward and enable the vehicle fleet to remain diverse, with affordable options to meet the needs of drivers across the country. Congress believed that a national standard was imperative to avoid a regulatory patchwork of confusion and waste.

AFPM has consistently said that continuing to ratchet up CAFE standards is bad policy. Refiners believe more innovative and flexible fuel policies have the potential to deliver better results for consumers and the environment, and these policies should be pursued instead. For example, AFPM President and CEO Chet Thompson testified before the House Energy and Commerce Committee on the idea of a new 95 RON gasoline standard that could reduce emissions equivalent to 720,000 electric vehicles (about twice the number sold last year).

AFPM applauds the Administration, EPA and NHTSA for undertaking the midterm review and soliciting input from affected stakeholders. We look forward to a final rule that balances continued efficiency improvements, safety, cost and consumers choice.

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