

# Automakers Are Addressing Climate Change

BY MITCH BAINWOL APRIL 24, 2018

Here's something you may not know about automakers: Carbon reductions by our sector already approach the Paris Climate Accord goals for 2025.

Automakers may well have done more than any other industry sector to reduce carbon emissions, because we believe climate change is real, and we have a responsibility to reduce greenhouse gases.

The companies that I represent are investing substantially in advanced technologies, including electric vehicles and fuel cells. Automakers spend more than \$100 billion globally each year on research and development.

In the United States, fleetwide automobile carbon dioxide reductions are already more than 21 percent lower than in 2005.

According to the 2017 Environmental Protection Agency Trends Report, the real-world emissions of new cars and light trucks went from an average of 447 grams of CO<sub>2</sub> per mile (g/mi) in 2005 to a projected 352 g/mi in 2017. And this 21 percent figure does not include carbon reductions made during the manufacturing process in our facilities.

Under the Paris Climate Accord, the Obama administration agreed that by 2025, the U.S. would cut greenhouse emissions by 26-28 percent compared to 2005

levels. So by 2017, automakers were already approaching the percentage reduction that the Obama administration wanted to achieve by 2025.

Automakers are on track to virtually eliminate smog-forming emissions from passenger vehicles in the next decade – and we are achieving this even though there are more cars on our roads today and people traveling more miles. By 2030, passenger cars will contribute only about 1 percent of ozone emissions from all sources of smog, based on EPA modelling data.

But these achievements have been lost in the current discussion around fuel economy standards under review by the National Highway Traffic Safety Administration and the EPA.

Early in President Barack Obama's first term in office, automakers agreed to establish long-term fuel economy targets stretching out to 2025. This bold plan, requiring massive investment by automakers to achieve a social goal we embraced – addressing climate change – came with the agreement to conduct a midterm review halfway through the timeframe (2018) to check government predictions against reality and use that information to set standards for 2022-25.

No factor is more relevant than gas prices, which remain much lower than projected by the government in 2012. With gas at \$3.72 per gallon then, the government expected it to stay high – \$3.63 per gallon – five years later. In reality, in December 2017, gas prices were one-third less than predicted, or \$2.48 a gallon.

As a result, automakers are seeing lower sales of electric vehicles than anticipated. This leads to a gap between estimated targets for 2025 and what

consumers are buying. Using the midterm review as a guide, the NHTSA and the EPA will soon propose a joint approach to fuel economy and greenhouse gas standards and invite public comments from a wide cross-section of stakeholders, including the state of California.

Automakers are committed to increasing fuel economy requirements while also reducing carbon emissions. The key to achieving higher standards is selling more of the record number of highly fuel-efficient vehicles now in dealer showrooms, including more than 50 models of electric cars.

Consumer research shows that the monthly payment is the top concern when car shopping. So the wisest course of action is to keep new vehicles affordable so more consumers can replace an older car with a new vehicle that uses much less fuel, produces fewer carbon emissions and offers more safety features.

Automakers continue to develop safety features and other innovations, and we want to get these technologies – and all their benefits – on the road as soon as possible.

We urge the administration and California to work together to both increase fuel economy standards and keep new vehicles affordable to more Americans.

*Mitch Bainwol is president and CEO of the Alliance of Automobile Manufacturers, the leading trade association representing automakers selling new vehicles in the United States.*