

Slate

Obama Unveils Landmark Fuel Economy Rules

New vehicles will need to get nearly 55 mpg by 2025.

By Peter Fulham | Friday, Jul. 29, 2011

President Obama announced a deal with automakers on Friday that would significantly boost the fuel efficiency of new cars and passenger trucks.

Under the terms of the agreement, the average fuel efficiency of a vehicle in a company's fleet would need to be at least 54.5 miles per gallon by the year 2025. The deal, which still must receive approval from the Office of Management and Budget, marks the end of months of closed-door negotiations between the Obama administration and executives from the world's largest carmakers.

Obama praised the plan as an important step toward American energy independence. "This agreement on fuel standards represents the single most important step we've ever taken to reduce our dependence on foreign oil," the president said. "Think about that."

In the midst of a fierce battle in Congress over the debt ceiling, the president also pointed to the deal as an example of the benefits of compromise. "This agreement ought to serve as a valuable lesson for leaders in Washington," Obama said. "This agreement was arrived at without legislation. You are all demonstrating what can happen when people put aside differences."

Democratic lawmakers and environmental groups gave a mostly positive response to the new standards, expressing some reservations about flexible compliance loopholes the auto companies managed to include in the agreement. House Minority Leader Nancy Pelosi told reporters she favored the deal, calling it "very significant, especially in light of the fact that all of the automakers are here."

Some conservatives, however, were quick to deride the new standards. Sterling Burnett, a senior fellow at the National Center for Policy Analysis, told *Politico* that the agreement "will take away consumer choice and force all but the wealthiest drivers into small, underpowered death traps."

Detroit's Big Three – Ford, Chrysler, and General Motors – signed on to the deal, along with BMW, Honda, Hyundai, Jaguar/Land Rover, Kia, Mazda, Mitsubishi, Nissan, Toyota, and Volvo.