

The White House

Office of the Press Secretary

For Immediate Release

July 29, 2011

Remarks by the President on Fuel Efficiency Standards

Walter E. Washington Convention Center
Washington, D.C.

10:57 A.M. EDT

THE PRESIDENT: Thank you, everybody. Thank you. (Applause.) Good morning. I've been having a lot of fun this week, but -- (laughter) -- nothing more fun and more important to the future of the American economy than the agreement that we're announcing today.

I am extraordinarily proud to be here today with the leaders of the world's largest auto companies, and the folks who represent autoworkers all across America. (Applause.) I'm glad that I have a chance to see some of the great cars that you are manufacturing. As some of you may know, it's only a matter of time until Malia gets her learner's permit -- (laughter) -- so I'm hoping to see one of those models that gets a top speed of 15 miles an hour -- (laughter) -- the ejector seat anytime boys are in the car. (Laughter.) So, hopefully you guys have some of those in the pipeline.

Now, for the last few months, gas prices have just been killing folks at the pump. People are filling up their tank, and they're watching the cost rise -- \$50, \$60, \$70. For some families, it means driving less. But a lot of folks don't have that luxury. They've got to go to work. They've got to pick up the kids. They've got to make deliveries. So it's just another added expense when money is already tight.

And of course, this is not a new problem. For decades, we've left our economy vulnerable to increases in the price of oil. And with the demand for oil going up in countries like China and India, the problem is only getting worse. The demand for oil is inexorably rising far faster than supply. And that means prices will keep going up unless we do something about our own dependence on oil. That's the reality.

At the same time, it's also true that there is no quick fix to the problem. There's no silver bullet here. But there are steps we can take now that will help us become more energy independent. There are steps we can take that will save families money at the pump, that

will make our economy more secure, and that will help innovative companies all across America generate new products and new technologies and new jobs.

So I've laid out an energy strategy that would do that. In the short term, we need to increase safe and responsible oil production here at home to meet our current energy needs. And even those who are proponents of shifting away from fossil fuels have to acknowledge that we're not going to suddenly replace oil throughout the economy. We're going to need to produce all the oil we can.

But while we're at it, we need to get rid of, I think, the \$4 billion in subsidies we provide to oil and gas companies every year at a time when they're earning near-record profits, and put that money toward clean energy research, which would really make a big difference. (Applause.)

Those are all short-term solutions, though. In the long run, we're going to have to do more. We're going to have to harness the potential of startups and clean energy companies across America. We're going to need to build on the progress that I've seen in your factories, where workers are producing hybrid cars and more fuel-efficient engines and advanced electric vehicles. We need to tap into this reservoir of innovation and enterprise.

And that's why we're here today. This agreement on fuel standards represents the single most important step we've ever taken as a nation to reduce our dependence on foreign oil. Think about that. (Applause.)

Most of the companies here today were part of an agreement that we reached two years ago to raise the fuel efficiency of their cars over the next five years. And the vehicles on display here are ones that benefited from that standard. Folks buying cars like these in the next several years will end up saving more than \$3,000 over time because they can go further on a gallon of gas.

And today, these outstanding companies are committing to doing a lot more. The companies here today have endorsed our plan to continue increasing the mileage on their cars and trucks over the next 15 years. We've set an aggressive target, and the companies here are stepping up to the plate.

By 2025, the average fuel economy of their vehicles will nearly double to almost 55 miles per gallon. (Applause.) So this is an incredible commitment that they've made. And these are some pretty tough business guys. They know their stuff. And they wouldn't be doing it if they didn't think that it was ultimately going to be good business and good for America.

Think about what this means. It means that filling up your car every two weeks instead of filling it up every week. It will save a typical family more than \$8,000 in fuel costs over time. And consumers in this country as a whole will save almost \$2 trillion in fuel costs. That's trillion with a T.

And just as cars will go further on a gallon of gas, our economy will go further on a barrel of oil. In the next 15 years, we're going to reduce the amount of oil we need by 2.2 million barrels per day. And this will help meet the goal that I've set for America: reducing our dependence on foreign oil by one-third.

Using less oil also means our cars will produce fewer emissions. So when your kids are biking around the neighborhood, they'll be breathing less pollution and fewer toxins. It means we're doing more to protect our air and water. And it means we're reducing the carbon pollution that threatens our climate.

Lastly, these standards aren't just about the bad things we'll prevent; it's about the good things that we'll build. As these companies look for ways to boost efficiency, they'll be conducting research and development on test tracks. They're going to look to startups working on biofuels and new engine technologies. They're going to continue to invest in advanced battery manufacturing. They're going to spur growth in clean energy. And that means new jobs in cutting-edge industries all across America.

I'll give you a couple of examples. There's a company called Celgard in North Carolina that's expanding its production line to meet demand for advanced batteries. And they've hired 200 employees and they're adding 250 more. There's A123, a clean-energy manufacturer in Michigan that just hired its 1,000th worker as demand has soared for its vehicle components. Companies like these are taking root and putting people to work in every corner of the country.

And after a very difficult time for the automotive sector in this country -- after a period of painful restructuring, with the federal government lending a helping hand to two of the Big Three American automakers -- we're seeing growth and a rise in sales, led by vehicles using new, more fuel-efficient technologies. And that bodes well for the future. That tells us that these standards are going to be a win for consumers, for these companies, for our economy, for our security, and for our planet.

So we are happy to welcome all the auto companies to this effort. But I do want to pay special tribute to the extraordinary progress of General Motors, Ford and Chrysler. It was little more than two years ago that many doubted whether these companies would still be around, much less moving forward and leading the kind of change that we're seeing.

I also want to point out all this progress we're talking about today -- the promise of this agreement -- it is only possible because we've made investments in technology. It's only possible because we're willing, as a nation, to make sure that young people could afford to go to college and get engineering degrees; to make sure that we're backing the basic research of our scientists; to make sure innovative small businesses could get the credit to open their doors and ultimately maybe be a supplier for one of these big companies.

So as we look to close the deficit, this agreement is a reminder of why it's so important that we have a balanced approach. We've got to make serious spending cuts while still

investing in our future; while still investing in education and research and technology like clean energy, which are so important for our economy.

And finally, this agreement ought to serve as a valuable lesson for leaders in Washington. This agreement was arrived at without legislation. You are all demonstrating what can happen when people put aside differences -- these folks are competitors, you've got labor and business, but they decided, we're going to work together to achieve something important and lasting for the country. (Applause.)

So when it comes to tackling the deficit, or it comes to growing the economy, when it comes to giving every American an opportunity to achieve their American Dream, the American people are demanding the same kind of resolve, the same kind of spirit of compromise, the same kind of problem solving that all these folks on stage have shown. They're demanding that people come together and find common ground; that we have a sensible, balanced approach that's based on facts and evidence and us reasoning things out and figuring out how to solve problems, and asks everybody to do their part.

That's what I'm fighting for. That's what this debate is all about. That's what the American people want.

So I want to once again thank automakers. I want to thank workers. I want to thank the state of California -- (applause) -- which has been -- the state of California has consistently been a leader on this issue. I want to thank the environmental leaders and elected officials, including Leader Pelosi who is here, and the leaders here from the Michigan delegation and -- because obviously the state of Michigan has a huge stake and has been on the cutting-edge of these issues and have helped to pave the way forward. I want to thank all of you for helping to reduce our dependence on oil, on growing the economy, and leaving for future generations a more secure and prosperous America.

So, congratulations, gentlemen. Thank you very much. (Applause.)

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11:10 A.M. EDT

NHTSA 14-11

Friday, July 29, 2011

President Obama Announces Historic 54.5 mpg Fuel Efficiency Standard

Consumers will save \$1.7 trillion at the pump, \$8K per vehicle by 2025

WASHINGTON, DC – President Obama today announced a historic agreement with twelve major automakers to pursue the next phase in the Administration's national vehicle program, increasing fuel economy to 54.5 miles per gallon for cars and light-duty trucks by Model Year 2025. The President was joined by GM, Ford, Chrysler, Toyota, Nissan, Honda, Hyundai, BMW, Volvo, Mazda, Mitsubishi and Jaguar – which together account for over 90% of all vehicles sold in the United States – as well as the United Auto Workers (UAW), and the State of California, who were integral to developing this agreement.

"This agreement on fuel standards represents the most important step we've ever taken as a nation to reduce our dependence on foreign oil," said President Obama. "Many of these companies were part of an agreement we reached two years ago to raise the fuel efficiency of their cars over the next five years. By 2025, the average fuel economy of their vehicles will nearly double to almost 55 miles per gallon."

Building on the Obama administration's agreement for Model Years 2012-2016 vehicles, which will raise fuel efficiency to 35.5 mpg and begin saving families money at the pump this year, the next round of standards will require performance equivalent to 54.5 mpg by 2025.

These programs combined with the model year 2011 light truck standard represent the first meaningful update to fuel efficiency standards in three decades and span Model Years 2011 to 2025. Together, they will save American families \$1.7 trillion dollars at the pump, and by 2025 result in an

average fuel savings of over \$8,000 per vehicle. Additionally, these programs will dramatically cut oil consumption, saving a total of 12 billion barrels of oil, and by 2025 reduce oil consumption by more than 4 million barrels of oil a day – more than America currently imports from the Persian Gulf, Venezuela, and Russia combined.

The standards also curb carbon pollution, cutting more than 6 billion metric tons of greenhouse gas over the life of the program – equivalent to an entire year's worth of carbon dioxide emissions from the United States. The oil savings, consumer, and environmental benefits of this comprehensive program are detailed in a new report, *Driving Efficiency: Cutting Costs for Families at the Pump and Slashing Dependence on Oil*, which the Administration released today.

The Environmental Protection Agency (EPA) and the Department of Transportation (DOT) have worked closely with auto manufacturers, the state of California, environmental groups, and other stakeholders for several months to ensure these standards are achievable, cost-effective and preserve consumer choice. The program would increase the stringency of standards for passenger cars by an average of five percent each year. The stringency of standards for pick-ups and other light-duty trucks would increase an average of 3.5 percent annually for the first five model years and an average of five percent annually for the last four model years of the program, to account for the unique challenges associated with this class of vehicles.

"This is another important step toward saving money for drivers, breaking our dependence on imported oil and cleaning up the air we breathe," said EPA Administrator Lisa P. Jackson. "American consumers are calling for cleaner cars that won't pollute their air or break their budgets at the gas pump, and our innovative American automakers are responding with plans for some of the most fuel efficient vehicles in our history."

"These standards will help spur economic growth and job creation, protect the environment, and strengthen our national security by reducing America's dependence on foreign oil," said U.S. Transportation Secretary Ray LaHood. "Working together, we are setting the stage for a new generation of clean vehicles."

A national policy on fuel economy standards and greenhouse gas emissions provides regulatory certainty and flexibility that reduces the cost of compliance for auto manufacturers while addressing oil consumption and harmful air pollution. Consumers will continue to have access to a diverse fleet and can purchase the vehicle that best suits their needs.

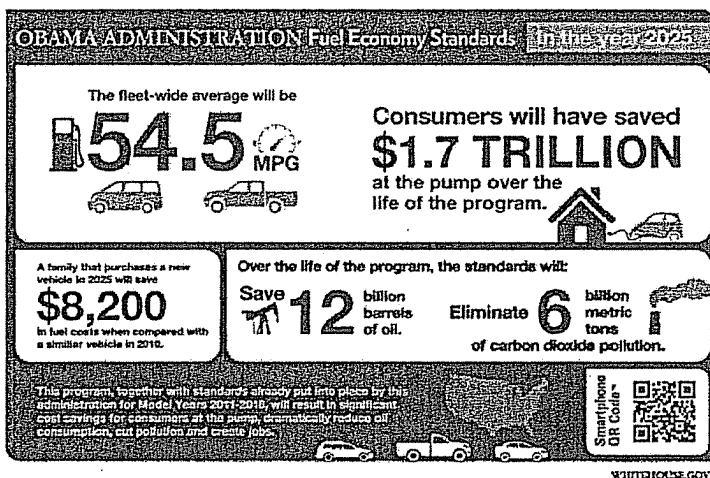
EPA and NHTSA are developing a joint proposed rulemaking, which will include full details on the proposed program and supporting analyses, including the costs and benefits of the proposal and its effects on the economy, auto manufacturers, and consumers. After the proposed rules are published in the Federal Register, there will be an opportunity for public comment and public hearings. The agencies plan to issue a Notice of Proposed Rulemaking by the end of September 2011. California plans on adopting its proposed rule in the same time frame as the federal proposal.

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The White House Blog

President Obama Announces New Fuel Economy Standards

Posted by Colleen Curtis on July 29, 2011 at 11:20 AM EDT



President Obama today announced the next phase in the Administration's program to increase fuel efficiency and reduce greenhouse gas pollution for all new cars and trucks sold in the United States. These new standards will cover cars and light trucks for Model Years 2017-2025, requiring performance equivalent to 54.5 mpg in 2025 while reducing greenhouse gas emissions to 163 grams per mile.