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New Study Finds U.S. Last Among Major Countries in Passenger Vehicle Fuel Economy Standards

Senate Bill to Increase Mileage Standards to 35 MPG Now Pending in House of Representatives Would Put U.S. Ahead of Canada, Australia, and South Korea by 2020.

Group Releases Print and Broadcast Graphics of US Mileage Standing Relative to World

Washington, DC -- A new report released today finds that while the United States continues to lag far behind the rest of the world in fuel economy standards for passenger vehicles, it is poised to make large strides if proposals under consideration in Congress and by the executive branch are enacted.

The report, *Passenger Vehicle Greenhouse Gas and Fuel Economy Standards: A Global Update*, by the International Council on Clean Transportation (ICCT), is a technical comparison of vehicle standards in eight major countries, states and regions. The new report updates a 2004 report published by the Pew Center on Global Climate Change by providing new information on changes to vehicle standards and policies that have taken place in Europe, Japan, Canada, China, South Korea and the United States.

U.S. passenger vehicle fuel economy standards lag behind most other industrialized nations even after accounting for regulatory actions to increase federal Corporate Average Fuel Economy (CAFE) standards for light trucks under taken last year. But with the recent passage of a CAFE bill in the Senate, the president's executive order, and regulatory action on GHG emissions from passenger vehicles planned for this fall, the U.S. could change its status.

“Significant improvements are under discussion in the United States,” said Drew Kodjak, Executive Director, International Council on Clean Transportation (ICCT). “The U.S. could surpass Canada, Australia, South Korean and California passenger vehicle standards by 2020 if it adopts the 35 mpg CAFE target passed by the U.S. Senate.”

The ICCT is made up of transportation and air quality officials and experts from around the world that participate as individuals based on their experience with air quality and transportation issues. The ICCT promotes best practices and comprehensive solutions to

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improve vehicle emissions and efficiency. Its purpose in publishing this report is to create a global race to the top among governments to achieve the best passenger vehicle standards in the world.

Other key findings from the report include:

- While Japan and Europe continue to lead the world with the most stringent passenger vehicle greenhouse gas and fuel economy standards, recent regulatory actions have moved these two important regions in opposite directions.
- “Over the last three years, Japan increased the stringency of its fuel economy standards, while Europe is in the process of weakening its CO₂ standards.” said Drew Kodjak, Executive Director of the ICCT. “As a result, Japan’s standards are expected to lead to the lowest fleet average greenhouse gas emissions for new passenger vehicles in the world (125 g CO₂/km) in 2015.
- California passenger vehicle GHG regulations are expected to achieve the greatest overall reduction in greenhouse gas emissions in the world over the course of its seven-year implementation period.
- Canada has established the world’s only active “feebate” program with significant incentives and levies for vehicles based on fuel consumption. At the same time, Canada plans to issue an attribute-based fuel economy regulation this fall to take effect in 2011, while it continues to implement its voluntary agreement with automakers.
- The Chinese government warrants significant notice for reforming the passenger vehicle excise tax to encourage the production and purchase of smaller-engine vehicles, and to eliminate the preferential tax rate that applied to sport utility vehicles (SUVs).
- South Korea is the only nation in the world with fuel economy standards for new passenger cars that are projected to decline over the next five years. The South Korean government is considering policy options to address this negative trend.

About the ICCT

The goal of the International Council on Clean Transportation (ICCT) is to dramatically reduce conventional pollutant and greenhouse gas emissions from personal, public, and goods transportation in order to improve air quality and human health, and mitigate climate change. The Council is made up of the leading regulators and experts from around the world that participate as individuals based on their experience with air quality

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and transportation issues. The ICCT promotes best practices and comprehensive solutions to improve vehicle emissions and efficiency, increase fuel quality and sustainability of alternative fuels, reduce pollution from the in-use fleet, and curtail emission from international goods movement.

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