Passenger Vehicle Greenhouse Gas and Fuel Economy Standards A Global Review

Public Hearing: Reducing CO_2 from Passenger Cars and Light Commercial Trucks

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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 leading regulators and experts from around the word that participate as individuals based on their experience with air quality and transportation issues.

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Findings from ICCT Report*

- Europe and Japan continue to lead the world with the most stringent passenger vehicle greenhouse gas and fuel economy standards.
- Japan standards are expected to lead to the lowest fleet average greenhouse gas emissions in the world (125 g CO2-e / km by 2015).
- California passenger vehicle GHG regulations are expected to achieve the greatest overall reduction in greenhouse gas emissions in the world.
- U.S. passenger vehicle standards continue to lag behind other nations, but could move ahead of Canada, Australia, South Korea and California by 2020 with passage of U.S. Senate bill.
- South Korea is the only nation in the world with standards in place that is expected to have rising GHG emissions from passenger vehicles.

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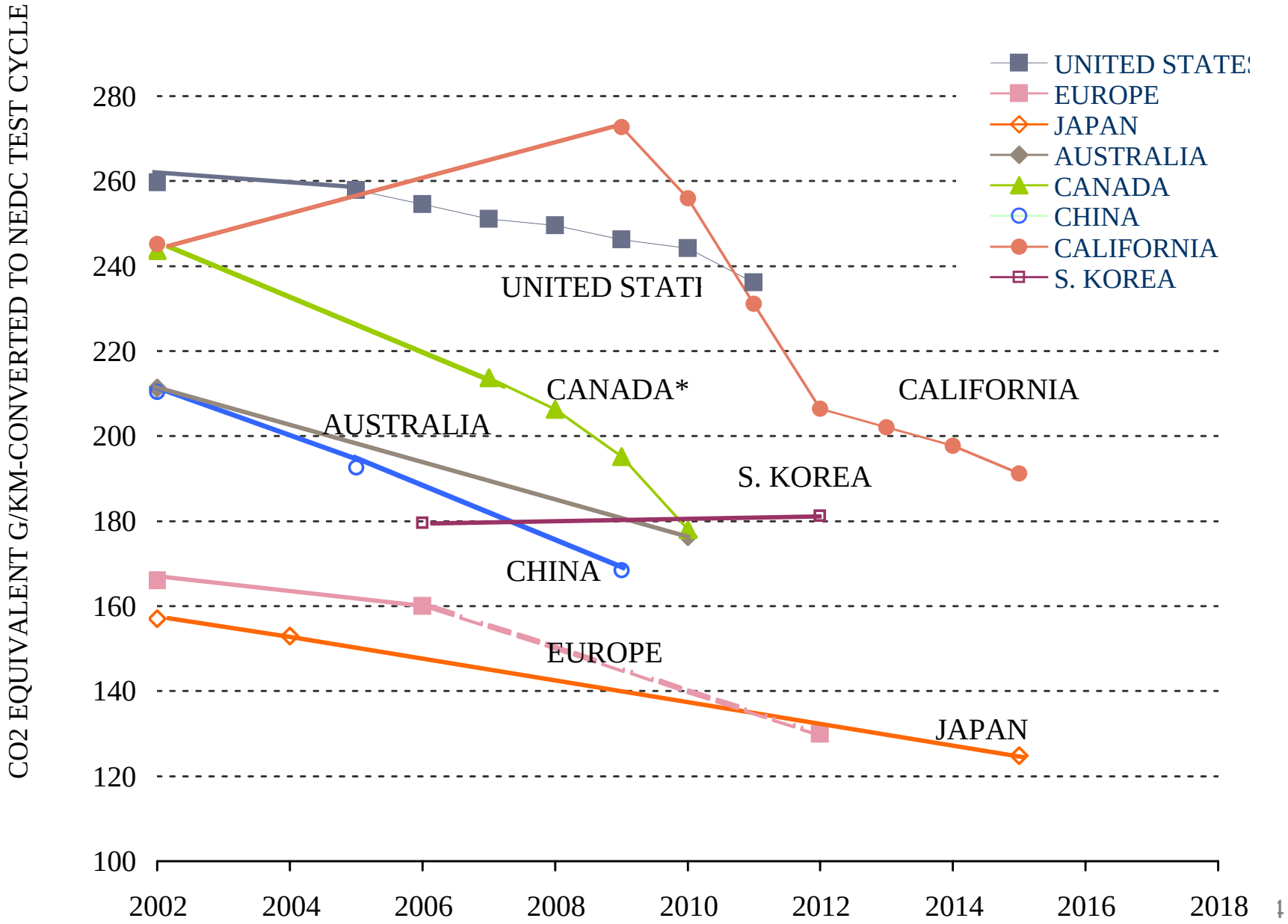
**Passenger Vehicle Greenhouse Gas and Fuel Economy Standards: A Global Review*, ICCT, Scheduled for publication late July 2007.


CO2 EQUIVALENT G/KM-CONVERTED TO NEDC TEST CYCLE
280
260
240
220
200
180
160
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120
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2002
2004
2006
2008
2010
2012
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2018
UNITED STATES
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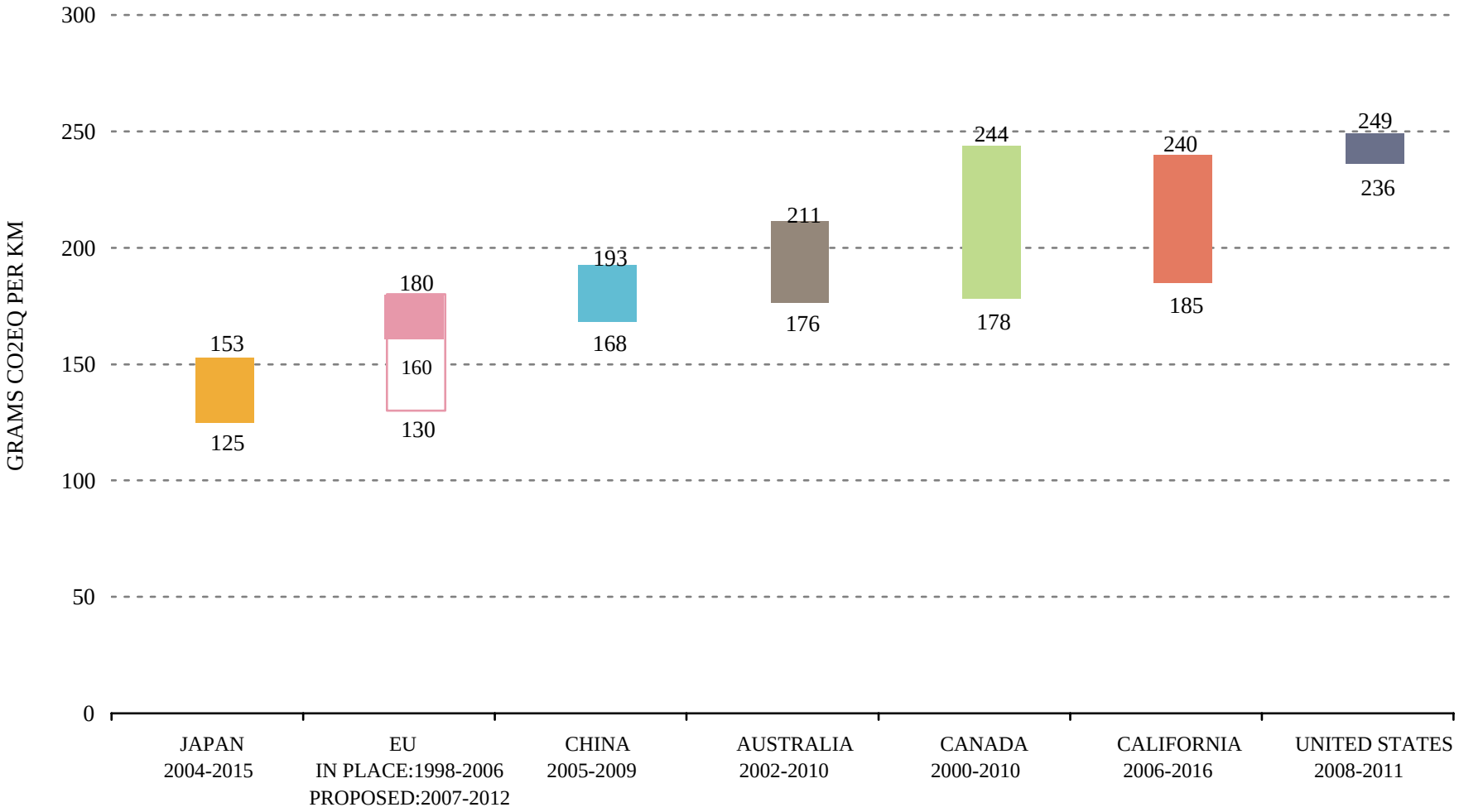
Magnitude of Reductions by Policy Initiative



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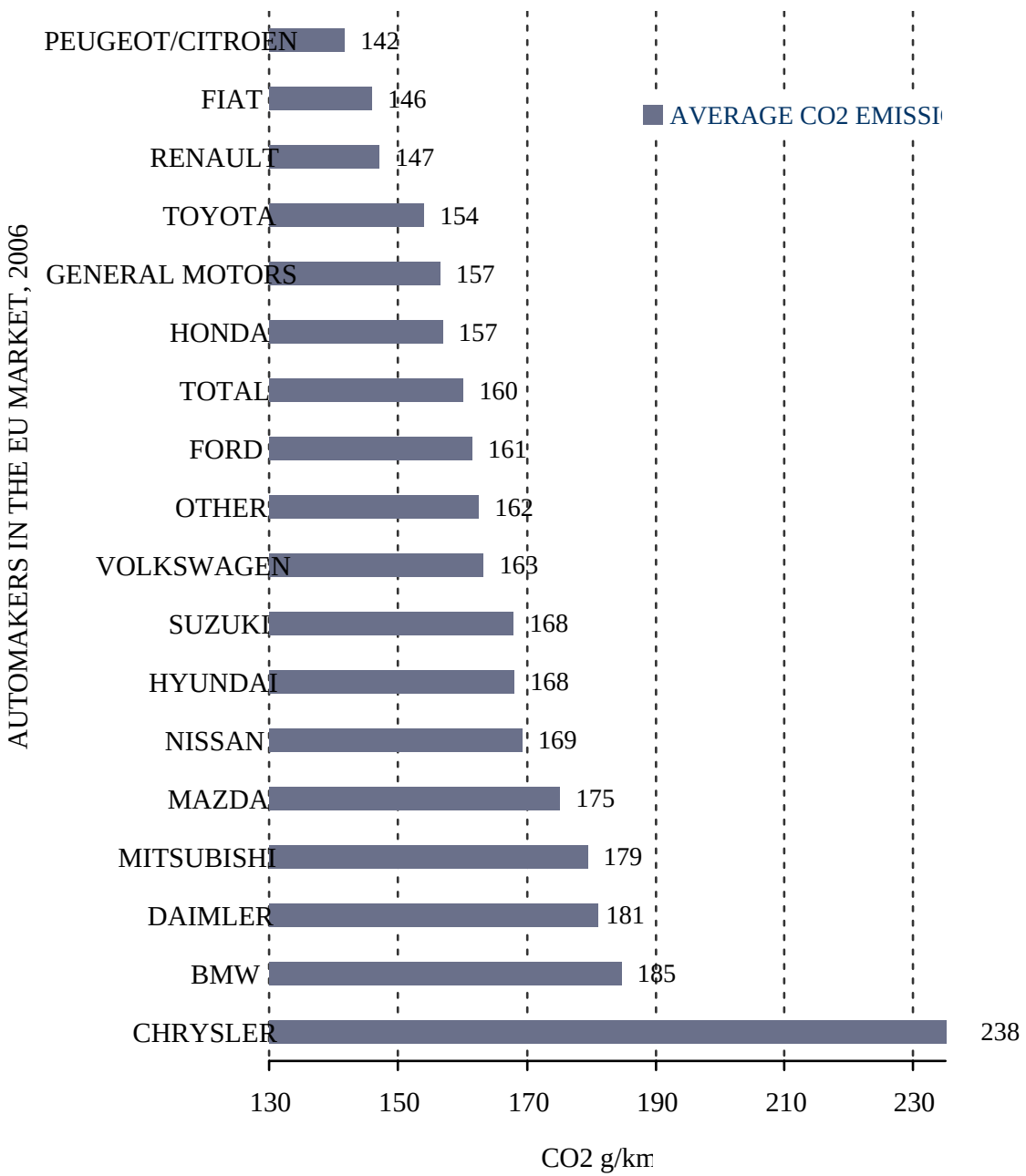

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Reformed U.S. Fuel Economy Standards for Light Trucks

	FUEL ECONOMY TARGETS (miles per gallon)				PERCENTAGE GAINS 2008-2011
	2008	2009	2010	2011	
General Motors	21.9	22.6	22.9	23.2	5.94%
Isuzu	22.2	22.9	23.2	23.4	5.41%
Toyota	22.6	23.0	23.2	23.8	5.31%
Nissan	22.3	23.3	23.7	23.9	7.17%
Ford	22.7	23.2	23.8	23.9	5.29%
Volkswagen	23.1	23.7	24.0	24.2	4.76%
Porsche	23.0	23.7	24.0	24.2	5.22%
Daimler Chrysler	23.2	23.7	24.1	24.3	4.74%
Honda	23.3	24.0	24.4	24.6	5.58%
Hyundai	23.9	25.0	25.0	25.4	6.28%
BMW	24.5	25.1	25.5	25.8	5.31%
Subaru	25.4	26.4	26.3	26.8	5.51%
Mitsubishi	25.1	25.8	26.3	27.0	7.57%
Suzuki	25.5	26.3	26.6	27.1	6.27%

Source: NHTSA, LDT CAFE 2008 - 2011, Final Rule (2006).

Summary

- Europe has done a lot of things right:
  - Long-term standards (10+ years)
  - High fuel taxes to lower demand for driving
  - High diesel penetration due to fuel tax policy
  - Shifting from voluntary to mandatory policy

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Looking Ahead

- Continue long-term targets (e.g., 2020)
- Policy design can help address competitiveness concerns.
- Consider additional fiscal policies:
  - Promote technology innovation
  - Discourage increases in vehicle size, weight, and horsepower.

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