

Strong Vehicle Standards: A Win for the Economy & Environment

America's working families continue to struggle with high gas prices and a fragile economic recovery. In addition to the burdens of high unemployment, America's ability to compete globally is threatened by underinvestment in our transportation infrastructure, evidenced by a gridlocked highway system and transit systems stretched beyond capacity.

According to the Federal Highway Administration, one out of every four of the nation's bridges are structurally deficient or functionally obsolete, nearly a quarter of the nation's bus and rail infrastructure is in marginal or poor condition, and more than half of the miles driven on federal highways are on roads that are in less than good condition. These all contribute to congestion and inefficiency, to the tune of \$97 billion a year in additional operating costs and travel delays that cost an additional \$32 billion, according to the American Society of Civil Engineers.

While we need to invest in our transportation infrastructure, we have an immediate opportunity to save fuel, reduce pollution, put people back to work and strengthen our manufacturing base and economy through deploying a cleaner vehicle fleet.

If the United States is to compete with the rest of the world, we must implement smart policies that drive innovation, create jobs, and build a stronger, more energy efficient economy. Implementing strong fuel efficiency standards for light-, medium- and heavy-duty vehicles and investing in advanced vehicle technology offer this opportunity.

In July, the Obama Administration announced a new 54.5 mile-per-gallon (mpg) fuel efficiency standard for cars and light-duty trucks by model year 2025. Producing cleaner cars to meet that reach a 40 mpg standard by 2020 could create as many as 150,000 American jobs through the end of the decade. Additional jobs are created as greater fuel economy translates to greater labor content per vehicle and higher employment across the fleet as advanced, fuel saving technologies are manufactured and developed. While additional content incrementally increases the vehicle cost, savings can be recouped immediately since increased monthly finance costs are more than offset by monthly savings in reduced fuel costs.

Combining the 2017-2025 light-duty vehicle standards with the administration's other efforts on energy efficiency will save the U.S. an estimated 12 billion barrels of oil, equivalent to four years of car and light pickup fuel consumption at current levels. The standards will reduce carbon dioxide pollution by over 6 billion metric tons from 2017 to 2025 model year cars — equivalent to the total carbon dioxide pollution from the United States each year.

In addition to these light-duty standards, in August the administration finalized the first-ever fuel efficiency standards for medium and heavy-duty trucks. Overall, commercial trucks consume up to 37 billion gallons of fuel every year and account for 20 percent of greenhouse gas pollution from the transportation sector, although they make up just 4 percent of all vehicles on the road. However, these new standards will achieve between 7 and 20 percent efficiency improvement among truck classes between model years 2014 and 2018, and represent an incredible opportunity to lower fuel costs for truckers, cut pollution, save oil, and create jobs.

The estimated cumulative oil savings from these truck standards — more than 500 million barrels of oil over the 5-year program — is equivalent to what America imported last year from Venezuela and Iraq.

Fuel savings across medium- and heavy-duty trucks will result in \$50 billion in reduced fuel costs for new 2014-2018 model year trucks. This means less money spent on oil and reduced shipping costs for goods and services, which means more money going back into the U.S. economy and into the pocketbooks of American workers and families.

Most importantly, it means more job creation to deliver an American-made cleaner truck fleet. Developing and manufacturing cleaner vehicles and their underlying components domestically will bolster efforts to re-energize the U.S. manufacturing sector, which has shed more than a million jobs in the recent economic recession, and strengthen America's ability to compete in the global economy. According to a recent report by the Union of Concerned Scientists, widespread deployment of more-efficient trucks could create 63,000 additional jobs by 2020, and 124,000 jobs by 2030.

In addition to improved fuel efficiency, advanced vehicle technologies offer great potential for energy savings and job creation. By producing and developing advanced fuel-saving technologies in the U.S., including batteries for electric vehicles, automakers, and their suppliers will create quality jobs. Programs such as the Advanced Technology Vehicle Manufacturing loan program, which have greatly improved domestic efforts to develop hybrid and electric drive technologies, have already created 40,000 jobs in the U.S. auto sector. Continuing public and private investment in battery and electric drive component manufacturing will further establish the United States as a world leader in the production of this new technology.

As America transitions to a cleaner fleet featuring more hybrid and electric vehicles, we also need to invest in the electrification infrastructure to support these advanced vehicles. This will create infrastructure employment, encourage further adoption of advanced technologies, and complement efforts to modernize our electric grid.

Building a new generation of vehicles will reduce our dependence on foreign oil and lower carbon emissions. Our transportation system is a major source of greenhouse gas emissions, accounting for two thirds of our oil consumption and a third of greenhouse gas pollution. The U.S. sends an estimated \$1 billion a day overseas for imported oil. Strong standards, already underway with the program for 2012 to 2016 model year vehicles, offer an immediate opportunity to improve transportation efficiency, and are helping America transition to a more sustainable, clean energy economy.

Investing in our infrastructure and building cleaner vehicles and their component parts will make the U.S. more competitive in the global economy. By recognizing these urgent needs and investing in a 21st century transportation system that expands and modernizes our transportation system and strengthens the auto sector, we will put thousands of Americans back to work and create a stronger, more competitive nation.



The BlueGreen Alliance is a national, strategic partnership between labor unions and environmental organizations dedicated to expanding the number and quality of jobs in the green economy.

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