

New Clean Car Standards: A Job Creator for America and Ohio

The Obama administration's new performance standards for light-duty vehicles (cars and light trucks) that will require automakers to introduce increasingly fuel efficient and lower polluting cars. The new standard requires all carmakers combined to achieve an average fleet performance equivalent to 54.5 miles per gallon (mpg) for 2025, which will require an increase in fuel efficiency of about 4 percent annually.

The BlueGreen Alliance research report *Gearing Up* estimates that the standards will create approximately 570,000 jobs nationwide by 2030.¹ The new standards will help U.S. consumers save billions of dollars at the pump, and consumers are expected to use these fuel savings to purchase new goods and services, boosting the U.S. economy and driving job creation.

In Ohio, our research suggests that the new fuel economy standard will create 21,000 new jobs by 2030.² This is similar to results found by a previous study, which estimated that an additional 23,800 jobs will be created in Ohio in 2030 as a result of the policy.³

By 2030, we estimate that the proposed standards will be saving drivers of light-duty vehicles approximately \$61 billion dollars per year on their gasoline bill, even after accounting for the slightly higher purchase price of more fuel-efficient vehicles. By the time the proposed standards have fully taken effect in 2025, they will save consumers an estimated \$4,000 dollars over the life of a vehicle.⁴ These job gains and net fuel savings only reflect the impact of the standards proposed for the years 2017-2025. If the standards already in place for the years 2012-2016 were considered, the total fuel savings and employment benefits would be even greater.

Our national results in *Gearing Up* indicate that the new proposed standards will lead to the creation of 50,000 additional jobs manufacturing light-duty vehicles and their components by 2030. As a state that has already attracted a number of companies that are part of the clean vehicle manufacturing supply chain, Ohio is sure to get a good amount of these new manufacturing jobs. Ohio is already home to thousands of vehicle manufacturing jobs producing clean vehicle technologies. Currently about

14,000 Ohioans are involved in the manufacture of technologies that deliver greater fuel efficiency, out of more than 76,000 jobs in light-duty vehicle manufacturing (parts and assembly).⁵

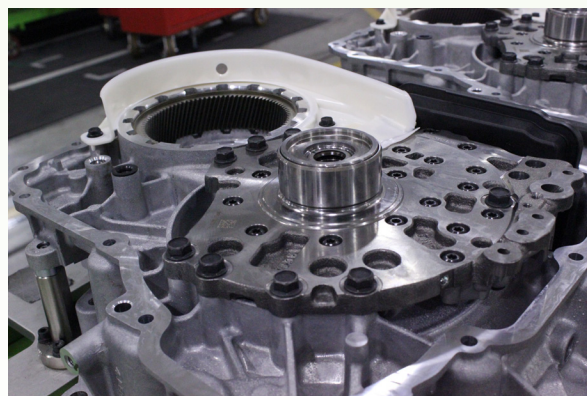


Conclusion

This fact sheet has focused on the job creation benefits of new standards for fuel economy and greenhouse gas emission from light-duty vehicles. Overall, the standards will result in a more robust economy that is less vulnerable to energy price spikes, and a stronger auto industry building the cleaner cars that are increasingly in demand. In addition to these economic benefits, the new standards will also deliver other valuable benefits: they will reduce Ohio and the nation's dependence on foreign oil and help shield our economy from volatile world oil markets; and they will deliver reduced air pollution. The new standards will also help American auto makers compete in other global auto markets that are increasingly demanding more fuel-efficient vehicles.

Ohioans should not only support the new standards requiring more fuel-efficient vehicles, we need a comprehensive approach to ensuring more and more of the new advanced vehicles are manufactured in Ohio.

There is an immediate need for the Department of Energy to process and disperse funding already allocated to the Advanced Technology Vehicle Manufacturing Program. Policies that support greater industrial energy efficiency will also assist international competitiveness, by lowering long run energy costs and reducing exposure to energy fuel spikes.



1. To read the full report Gearing Up: Smart Standards Create Good Jobs Building Cleaner Cars, see: www.bluegreenalliance.org/GearingUp.pdf.
2. This note explains how we use the national job impacts in Gearing Up to estimate state level impacts. We use the fact that savings on fuel is the main driver of job creation due to the rule. We assume that job gains in each state are proportional to fuel saving and that fuel savings are proportional to fuel use adjusted by the mix of light duty vehicles within the overall vehicle fleet.
3. Ceres (2011). More jobs per gallon: How strong fuel economy/GHG standards will fuel American jobs. Washington, D.C.: Management Information Services, Inc.
4. Environmental Protection Agency and Department of Transportation. (2012). "Draft regulatory impact analysis: proposed rulemaking for 2017-2025 light-duty vehicle greenhouse gas emission standards and corporate average fuel economy standards." (Docket: EPA-420-D-11-004). Washington, DC.
5. Data on employment in clean vehicle technology manufacturing from NRDC's Supplying Ingenuity (<http://www.nrdc.org/transportation/autosuppliers/files/SupplierMappingReport.pdf>). Data on light duty vehicle manufacturing in Ohio is most current data from Bureau of Labor Statistics, April 2012.

Ohio and Surrounding States Job Gains by 2030 from Increased Fuel Efficiency

Source: www.bluegreenalliance.org/gearingup

