Senators Feinstein, Snowe, Durbin Call for Raising Average Fuel Economy Standards for All Vehicles to 35 mpg by Model Year 2017

Feinstein-Snowe-Durbin legislation would save 2.5 millions of barrels of oil per day by 2025; Reduce carbon dioxide emissions by 420 million metric tons of by 2025

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Washington, DC – U.S. Senators Dianne Feinstein (D-Calif.), Olympia Snowe (R-Maine), and Richard Durbin (D-Ill.) unveiled details today on legislation that would raise the average fuel economy standards for all vehicles, including SUVs and sedans, from 25 miles per gallon (mpg) to 35 mpg by model year 2017.

If passed, the Feinstein-Snowe-Durbin bill would save:

- **2.5 million barrels of oil per day by 2025,** the same amount of oil we currently import from the Persian Gulf; and

- **420 million metric tons of carbon dioxide emissions by 2025,** the equivalent of taking 90 million cars (or 75 million cars and light trucks) off the road in one year.

"The time has come for Congress to take responsible action and do something about our addiction to oil. In March, the President took a small step to increase the fuel economy of our SUVs and light trucks by 1.8 miles per gallon by 2011," Senator Feinstein said. **"We can do better. We have the technology to raise the average fuel efficiency of all vehicles to 35 miles per gallon by model year 2017. It's up to Congress to ensure that the standards are there to prompt the auto industry to build a cleaner fleet.**

We also need to act urgently on global warming. Reducing our carbon dioxide emissions by as much as 420 million metric tons by 2025 – the equivalent of taking 90 million cars off the road in one year – is one of the most important steps we can take to address global warming. We must act now."

"When it comes to the fuel economy of America's cars and trucks, we simply must do better – and this bill puts us on that path. Improving efficiency by 10 mpg over 10 years is well within our reach without compromising automobile safety or affordability," said Senator Snowe. **"The real effects of increasing the fuel economy of our automobile fleets will be to lessen our dependence on foreign oil, bring down the price of gasoline, and clean**

up our air. The Senate must lead in ensuring consumers have a choice of vehicles that offer higher fuel economy and a lesser impact on our environment."

"The fight for CAFE standards legislation has spanned more than a decade. It's the right thing to do and the momentum for real reform is building," Senator Durbin said. **"If the U.S. had increased the fuel economy of all cars sold in America ten years ago by only five miles per gallon, today we would be using more than 1 million fewer barrels of oil per day -- saving $33 billion annually in the U.S. economy and reducing the greenhouse gas emissions that cause global warming. Improving fuel economy standards is an essential component of an energy independence plan."**

The Feinstein-Snowe-Durbin legislation would:

- **Require the Secretary of Transportation to implement a program for manufacturers** to meet the 35 mpg standard by model year 2017;
- Ensure that improvements to fuel economy standards **do not degrade the safety** of automobiles manufactured by a manufacturer; and
- **Maximize the retention of jobs in the automobile manufacturing sector** of the United States.

The legislation would also establish a credit trading program for the auto manufacturers so that if one manufacturer could not meet the 35 mpg standard by model year 2017, it could buy credits from other auto manufacturers that are able to meet that standard.

Finally, it would provide the Secretary the authority to establish separate standards for different classes of vehicles according to size, as long as the overall fleet average meets the 35 mpg standard.

Background

The United States consumes 25% of the world's oil but only has 3% of the world's reserves. Demand for oil is growing internationally.

China's recent surge in oil imports has vaulted them into second place among the world's biggest oil consumers, behind only the U.S. In the past 5 years, China's oil imports have doubled, and show no signs of slowing down. China's auto fleet is predicted to increase from 25 million currently to 125 million within 25 years, which is why Chinese demand for oil is expected to double again by 2025, while its imports will quadruple to 60 percent of its total oil consumption.

India is a relatively small player in the global oil market so far and currently accounts for 3 percent of the world's oil consumption, but this is expected to grow rapidly in the coming years. India is heavily dependent on oil imports. Over 70 percent of India's oil is imported, and it is expected that more that 80 percent of India's energy will be imported by 2020.

Further, oil-producing countries are making it more difficult for oil companies to invest and increase production. Countries like Bolivia, Russia and Venezuela have taken over the oil fields in their countries; while Nigeria and Kazakhstan have given preferential treatment to state companies. Coupled with increased demand, this will lead to perpetual higher costs at the pump.

The International Energy Agency Director Claude Mandil recently said that he expected oil prices to remain high for at least two to three years because of high international demand and tight supply.

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