

Federal Energy Efficiency Policy Recommendations in Transportation

American Council for an Energy-Efficient Economy
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Fuel Economy of Light-Duty Vehicles: Congress should strengthen the federal fuel economy program by requiring DOT to: set an average standard of at least 40 miles per gallon by 2020; define diesel vehicle fuel economy on a gasoline-energy-equivalent basis; adjust fuel economy tests to reflect real-world driving conditions; and improve the technical and economic bases for determining maximum feasible fuel economy levels.

Energy Savings from Transportation Planning and Plan Implementation: Congress is scheduled to reauthorize the transportation spending bill later this year. Decisions on how to allocate the hundreds of billions of dollars authorized by the bill have enormous implications for fuel use and greenhouse gas emissions from the transportation sector, yet this consideration has historically played a small role in the crafting of the transportation bill. Congress should include in the energy bill provisions from the “Transportation and Housing Choices for Gas Price Relief Act” (H.R. 6495) introduced in 2008 by Reps. Blumenauer, Shays and Tauscher which would establish a program to enhance state and local technical capacity to integrate transportation and land use planning. Such a program can reduce commuting costs and increase commuter choices, increase the availability of affordable housing near public transportation, and ensure that the Federal government leads by example on these issues. In the longer term, a system of fuel savings targets should be considered that states would need to meet to be eligible for certain categories of funding distributed through the transportation bill. This program would ensure that federal transportation funding will help states to promote compact development patterns and expand transportation choices for their residents.

Consumer Incentives for Efficient Vehicles: Consumer purchase incentives can complement fuel efficiency standards by educating the public and aligning its purchase preferences with manufacturer production requirements, and by promoting products that exceed the standards. Congress should adopt a feebate program, which would pay car buyers a rebate or charge them a fee, depending on the efficiency of the vehicle purchased. The program can be designed to be revenue-neutral, to generate revenues to support related initiatives, or to provide a net subsidy to consumers, depending on legislative priorities. Congress should also consider a more narrowly focused program to accelerate the turnover of the U.S. vehicle stock: federal vouchers could be offered for owners of gas guzzlers to crush their vehicles and buy efficient ones. Vouchers might range from \$1,500 to \$5,000, depending on the age of the vehicle to be crushed. A reasonable objective would be the early retirement of one million gas guzzlers per year over a four-year period.