

## **FCA Position Summary – Safer Affordable Fuel-Efficient Vehicles (SAFE) proposed rule for MY21-26**

September 25, 2018, Auburn Hills, Mich. - “... in model year 2016, for the first time since the new standards were put in place, the industry as a whole could not comply with the fleet standards without using credits† ... FCA supports the policy choice in favor of ongoing fuel economy improvements in the fleet, but that policy needs to be based on market realities as they have evolved since 2012.” † *EPA Manufacturers Performance Report, 2016*

### **Market realities:**

- Original forecasts showed cars increasing from 50% to 57% of annual vehicle sales by 2025. Instead, cars have actually dropped to 36% of the total fleet by 2017 while the utility vehicle market share has grown from 30% to 40+%.
- Gas prices were predicted to be over \$4 per gallon by 2018 while today's actual prices are under \$3 per gallon.
- A utility or crossover vehicle with the same powertrain and technology as a sedan with the same footprint will require more energy – a trade-off consumers are willing to make for the versatility of a crossover or SUV. This is a primary contributing factor to the growing industry compliance gap.
- Residual values of electrified vehicles can be as much as 40% below those with a conventional powertrain. Over the last decade, the industry has almost tripled the number of strong electrified product offerings (HEV/PHEV/BEV/FCV), while the combined U.S. market share of all HEV/PHEV/BEV/FCV products has remained virtually flat at roughly 3%, and at only 1.5% for the most strongly electrified PHEV/BEV products.

### **Relationship between compliance and market realities:**

“Compliance depends on two things: first, how well any given vehicle model performs relative to its target; second, how many of each vehicle model a manufacturer sells.” – *DOT/EPA, 8/2/18*

### **Calculation of OEM Performance:**

[https://www.ecfr.gov/cgi-bin/text-idx?SID=049aa347f978e45de4890f3a60564299&mc=true&node=se40.32.600\\_1510\\_612&rgn=div8](https://www.ecfr.gov/cgi-bin/text-idx?SID=049aa347f978e45de4890f3a60564299&mc=true&node=se40.32.600_1510_612&rgn=div8)

-###-

Additional information and news from Stellantis are available at: <https://media.stellantisnorthamerica.com>