

# CAPTAIN'S TABLE

By Dieter Zetsche

**As the world seeks to increase energy efficiency, in particular fuel efficiency for the transportation sector, we can look to the European market for a very good example of where this has already been achieved.**

In the US, the auto fleet averages around 24 miles per gallon (mpg). In Europe the fleet averages 36 mpg – a 50 percent improvement in fuel efficiency.

Why is there such a big disparity between the US and European markets? Aren't the same companies in Europe also in the US, with access to similar technologies? The primary difference is in the European approach to energy policy, which has resulted in a large percentage of diesel penetration in the market.

A petrol-engine mid-size car in Europe gets the same mileage as a petrol-engine mid-size car in the US. It's just that the mix of vehicles in Europe is radically different from the US – partly due to size, but largely as a result of the widespread adoption of diesel technology. About 60 percent of the vehicles sold in Europe are subcompact or smaller and about 50 percent of vehicles are diesel. Ultimately, it's that product mix that drives better fuel economy.

Modern diesel engines can improve fuel economy by 20 to 40 percent, and reduce CO<sub>2</sub> emissions by up to 20 percent. Real-world tests show that diesel can even be more fuel-effective than petrol-electric hybrids, depending on use. According to recent data in the US Environmental Protection Agency's (EPA) 'YourMPG' database, diesel-powered cars deliver better real-world fuel efficiency than stated on their window stickers, to the tune of more than four percent. By comparison, hybrid real-world fuel efficiency is more than eight percent less than the current EPA estimates.

The modern diesel engine technology offers a significant opportunity to reduce fuel consumption and dependence on oil.

According to J.D. Power and Associates, diesel penetration in the US market is expected to hit 15 percent by 2015. But the EPA claims that if the US had a light-duty vehicle population that was one-third diesel – or roughly one-half the diesel market in Europe today – the country would save up to 1.4 million barrels of oil per day.

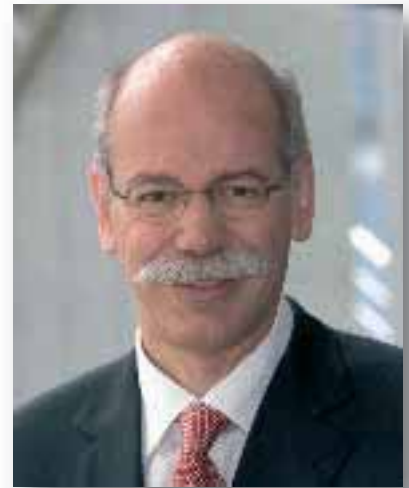
Another great advantage of diesel is the increased potential for use of biofuels. Speeding up the commercialisation of biofuels through research and development is an effort in which DaimlerChrysler is particularly active. It also has great potential for transatlantic cooperation, and is on the agenda for discussions between the European Commission, the German chancellor and the White House.

To speed the adoption of biodiesel, and to help harness and direct the diverse research and investment efforts going into its development, we need to expedite the setting of national fuel specifications for biodiesel, just as we have for other fuels.

At the same time, our governments must work together to ensure that these national fuel standards are harmonised from the outset. We've been working with industry partners to move toward defining a specification that would enable all diesel vehicle owners to use B20 fuel – a 20 percent biodiesel mix – regardless of who manufactured the vehicle.

Diesel technology and alternative fuels such as biodiesel offer incredible opportunities within the transatlantic dialogue. The automotive industry views this as a way to not only address serious climate change and energy security concerns, but also as a way to promote new technologies that will help create jobs in both the US and Europe.

It will be our mission over the coming years to ask the US to rethink diesel technology, to take from Europe the benefits of increased diesel use, and to encourage biofuels development and use on both sides of the Atlantic.



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