

Message

From: Ross Eisenberg [REisenberg@nam.org]
Sent: 4/3/2018 4:33:49 PM
To: Bowman, Liz [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=c3d4d94d3e4b4b1f80904056703ebc80-Bowman, Eli]; Bennett, Tate [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=1fa92542f7ca4d01973b18b2f11b9141-Bennett, El]
Subject: RE: NAM In The News (Detroit Free Press): Trump to roll back fuel standards for cars, light trucks

Here's one more – just went up on our website.

<http://www.shopfloor.org/2018/04/manufacturers-welcome-trump-administrations-midterm-review-epa-fuel-economy-rules/>

From: Bowman, Liz <Bowman.Liz@epa.gov>
Sent: Tuesday, April 03, 2018 9:25 AM
To: Ross Eisenberg <REisenberg@nam.org>; Bennett, Tate <Bennett.Tate@epa.gov>
Subject: RE: NAM In The News (Detroit Free Press): Trump to roll back fuel standards for cars, light trucks

Thank you, Ross.

From: Ross Eisenberg [mailto:REisenberg@nam.org]
Sent: Tuesday, April 3, 2018 9:12 AM
To: Bennett, Tate <Bennett.Tate@epa.gov>; Bowman, Liz <Bowman.Liz@epa.gov>
Subject: FW: NAM In The News (Detroit Free Press): Trump to roll back fuel standards for cars, light trucks

Our statement on the midterm evaluation got picked up by the Detroit Free Press yesterday; article below. NAM and Auto Alliance quotes are about halfway down.

I also did a radio interview with CBS Los Angeles; not sure if it has run yet.

Trump to roll back fuel standards for cars, light trucks

Detroit Free Press

Todd Spangler and Eric Lawrence

April 2, 2018

<https://www.freep.com/story/money/cars/2018/04/02/epa-roll-back-mpg-standards/479082002/>

WASHINGTON — The Trump administration on Monday announced that it would revise tough mileage-per-gallon fuel standards for cars and light trucks, saying those rules agreed to during President Barack Obama's time in office were "not appropriate."

"The Obama administration's determination was wrong," said Scott Pruitt, head of the U.S. Environmental Protection Agency. "Obama's EPA cut the midterm evaluation process short with politically charged expediency, made assumptions about the standards that didn't comport with reality, and set the standards too high."

Pruitt did not say precisely when new standards, which could ease burdens on Detroit's automakers while outraging environmentalists, would be set but federal agencies are expected to propose new options for fuel efficiency standards in the next several months with a public comment period to follow before one of the options is finalized.

The entire process could take until late this year or early next before the new fuel standards -- which are only expected to impact vehicles in the 2022 model year and beyond -- take effect. In the meantime, a schedule of increasing fuel

standards which would hit an average of 41.7 miles-per-gallon across the fleet of U.S. cars and light trucks by model year 2020 would remain in place.

The Trump administration had been signaling the move since last year. But it means several states, led by California, will likely press federal courts to allow them to keep their own tougher standards in place, which could in turn force automakers to produce different cars for sale in different areas -- a practice they are loathe to do.

Even as automakers said they remained committed to protecting the environment, however, environmentalists argued that any rollback in standards could hurt human health and exacerbate climate change.

At the American Lung Association, President and CEO Harold Wimmer said transportation emissions remain the largest contributor of carbon pollution in the U.S. and that weakening standards could pose a threat to Americans living with chronic diseases such as asthma.

"The Trump administration's decision will take America backward by jeopardizing successful safeguards that are working to clean our air, save drivers money at the pump and drive technological innovation that creates jobs," added Luke Tonachel, director of the Natural Resources Defense Council's Clean Vehicles and Fuels Project. "The American public overwhelmingly supports strong vehicle standards."

Last week, with Pruitt expected to make an announcement any day, Jack Gillis, director of public affairs at Consumer Federation of America, said, "American families cannot afford to spend more money at the pump. They do not deserve to be saddled with gas-guzzling vehicles that will wreak havoc on their household finances when gas prices inevitably spike again."

Some automakers and other manufacturers on Monday made clear their belief that the EPA's ruling was the right one in order to keep vehicles affordable and let businesses — not bureaucrats — take the lead in determining how best to increase fuel economy standards and reduce pollution while protecting their own bottom lines.

"This was the right decision and we support the administration for pursuing a data-driven effort and a single national program as it works to finalize future standards," said Gloria Bergquist, vice president of communications and public affairs for the Alliance of Automobile Manufacturers, a trade group that represents General Motors, Ford, Fiat Chrysler, Toyota, Honda and others.

"Today's announcement was the expected necessary step that sets in motion a future rulemaking where the government will propose a range of alternatives — sharing the data gathered to support various options — and seek public comments," Bergquist said. "(To) ensure ongoing fuel economy improvement, the wisest course of action is to keep new vehicles affordable so more consumers can replace an older car with a new vehicle that uses much less fuel — and offers more safety features."

At the National Association of Manufacturers, Ross Eisenberg, vice president for energy and resources policy, said there remains support to cut greenhouse gas emissions and raise fuel economy standards but that those standards "should be updated based on lessons that have been learned from prior years, using the most current data."

"Ultimately, manufacturers need a single national program that provides regulatory certainty and maintains vehicle affordability," Eisenberg said.

Bergquist also said that it is critical to maintain a "single national" standard for vehicles and that automakers will work with environmentalists, California officials and the National Highway Traffic Safety Administration to attempt to do so.

But there is no guarantee such an effort will succeed. California Attorney General Xavier Becerra last year filed a lawsuit along with other states in an attempt to force the Trump administration to meet the tougher standards.

Following the announcement Monday, Becerra said he was reviewing the determination and that he was "ready to file suit if needed to protect these critical standards and to fight the administration's war on our environment."

Automakers moved quickly to make clear that they plan to be conscientious stewards of the environment despite the expected reduction in fuel efficiency standards.

General Motors said that, regardless of what standard is ultimately set, it remained committed to "improving fuel economy, reducing emissions and an all-electric future," including working on shared and self-driving vehicles which could cut pollution.

Ford's John Cangany, the company's spokesman for corporate social responsibility, said Ford never asked the administration for a rollback and continues "to support increasing clean car standards through 2025."

"We will continue to work with EPA, NHTSA (the National Highway Traffic Safety Administration) and California on one national standard with additional flexibility to help us provide more affordable options for our customers," Cangany said.

In recent days, media reports have suggested that the Trump administration might be looking to propose weaker standards than even automakers wanted instead of simply giving them flexibility in meeting current ones. Ford's top leaders, for instance, recently said they remained committed to carbon emission reductions consistent with those set under the Paris Climate Accord, even though Pruitt and Trump have announced the U.S. will withdraw from that agreement.

"The rollback of U.S. emissions and fuel economy standards, which come as no surprise, will not suddenly prompt automakers to abandon all plans for cleaner, more fuel-efficient vehicles," said Michelle Krebs, executive analyst for Autotrader. "These are global automakers who see the rest of the world marching in a different direction."

"The disconnect in the U.S.," Krebs added, "is that consumers don't favor clean, highly fuel-efficient vehicles like electrics and hybrids, particularly as gas prices remain low and consumers opt for sport-utility vehicles. EV (electric vehicle) and hybrid sales account for a miniscule 3% or less of the entire new car market annually."

Automakers, state officials, environmentalists and federal regulators had agreed back in 2011 to increase fuel efficiency standards to average 34.5 mpg by 2016 across the fleet of American cars and trucks with the figure then to grow to 54.5 mpg by 2025.

But that process called for a so-called midterm review, during which time automakers and others wanted to be given more flexibility in reaching the greater number. Gas prices -- which had averaged \$3.60 a gallon in 2012, according to the American Automobile Association -- had tumbled to \$2.40 a gallon by 2015 and have remained low, fueling sales of more profitable, larger vehicles, which while becoming more fuel-efficient overall may not meet the standard.

Automakers have continued at the same time to work on bringing new electric models to market though they remain a small portion of the overall fleet.

Before Obama left office in early 2017, the EPA said it had completed its review and issued a ruling keeping the higher fuel efficiency average in place for model years 2022-2025 — a decision that President Donald Trump made clear last year he intended to revisit.

Pruitt said Monday that his agency's new midterm evaluation determined that the standards needed to be revised, though he didn't make any suggestions as to what would be an appropriate new standard to be set in the future. Under the Clean Air Act, EPA sets national standards for vehicle tailpipe emissions of certain pollutants, though California has long had a waiver to impose tougher standards.

The EPA said it was reviewing California's waiver as well.

"Cooperative federalism doesn't mean that one state can dictate standards for the rest of the country," Pruitt said in a news release. "EPA will set a national standard for greenhouse gas emissions that allows auto manufacturers to make cars that people both want and can afford."