The Obama-era rules to be reconsidered were designed to address global warming and put the United States at the forefront of global car-efficiency regulation.

Karsten Moran for The New York Times


March 29, 2018

The Trump administration is expected to launch an effort in coming days to weaken greenhouse gas emissions and fuel economy standards for automobiles, handing a victory to car manufacturers and giving them ammunition to potentially roll back industry standards worldwide.

The move — which undercuts one of President Barack Obama’s signature efforts to fight climate change — would also propel the Trump administration toward a courtroom clash with California, which has vowed to stick with the stricter rules even if Washington rolls back federal standards. That fight could
end up creating one set of rules for cars sold in California and the 12 states that follow its lead, and weaker rules for the rest of the states, in effect splitting the nation into two markets.

Scott Pruitt, the head of the Environmental Protection Agency, is expected to frame the initiative as eliminating a regulatory burden on automakers that will result in more affordable trucks, vans and sport utility vehicles for buyers, according to people familiar with the plan.

An E.P.A. spokeswoman confirmed that Mr. Pruitt had sent a draft of the 16-page plan to the White House for approval. The particulars of the plan are still being worked out. Those specifics, which are expected this year, could substantially roll back the Obama-era standards, according to two people familiar with the deliberations.

“This is certainly a big deal,” said Robert Stavins, director of the Harvard environmental economics program. “The result will be more gas-guzzling vehicles on the road, greater total gasoline consumption, and a significant increase in carbon dioxide emissions.”
According to two people familiar with the E.P.A.’s plans, Mr. Pruitt was scheduled to formally announce his proposal on Tuesday at an auto dealership in the Virginia suburbs, but the schedule remained in flux.

Major automakers would welcome the change. They are prepared to participate in making new rules that meet “our customers’ needs for affordable, safe, clean and fuel-efficient transportation,” said Gloria Bergquist, a spokeswoman for the Alliance of Automobile Manufactures, which represents many of the world’s largest automakers.

In California, state lawyers said they were expecting a fight. The state has a special waiver under the 1970 Clean Air Act empowering it to enforce stronger air pollution standards than those set by the federal government, a holdover from California’s history of setting its own air pollution regulations before the federal rules came into force. “We’re prepared to do everything we need to defend the process,” said Xavier Becerra, the attorney general of California, in an interview.

The California waiver gives the state considerable power to require automakers to stick to stricter standards. Not only is California a huge car market itself, but 12 other states including New York, Massachusetts and Pennsylvania have historically followed its lead. Together they represent more than a third of the domestic auto market.

“We’re going to defend first and foremost existing federal greenhouse gas standards,” Mr. Becerra said. “We’re defending them because they’re good for the entire nation. No one should think it’s easy to undo something that’s been not just good for the country, but good for the planet.”

Mr. Pruitt has signaled that he is ready to take on such a challenge. “California is not the arbiter of these issues,” he said in an interview with Bloomberg TV this month.

Under the Obama administration, the federal government toughened tailpipe pollution standards to match California’s. Mr. Pruitt said the state standards “shouldn’t and can’t dictate to the rest of the country what these levels are going to be.”
President Trump is vowing to undo Obama-era rules for U.S. automakers on greenhouse gas emissions. Here's the breakdown.

The E.P.A.’s senior clean air adviser, William Wehrum, this week traveled to California and met with the state’s top clean air official, Mary Nichols. Both sides declined to detail what was discussed.

On Wednesday, a coalition of free-market groups including the Competitive Enterprise Institute urged Mr. Pruitt to take California on. “It is time for the E.P.A. to act,” the groups said. If the agency did not act quickly, the groups said, “people across the state of California will be facing unrealistic and costly mandates which threaten their basic right to choose.”

President Trump has also spoken about rolling back the efficiency rules, known as Corporate Average Fuel Economy, or Cafe. “I’m sure you’ve all heard the big news that we’re going to work on the Cafe standards so you can make cars in America again,” Mr. Trump said at a Detroit auto research facility in March last year. “We want to be the car capital of the world again. We will be, and it won’t be long.”

The rules, aimed at cutting tailpipe emissions of carbon dioxide, a major contributor to global warming, were one of the two pillars of Mr. Obama’s climate change legacy. Put forth in 2012, they would have required automakers to nearly double the average fuel economy of new cars and trucks to 54.5 miles per gallon by 2025.

If fully implemented, the rules would have cut oil consumption by about 12 billion barrels and reduced carbon dioxide pollution by about six billion tons over the lifetime of all the cars affected by the regulations, according to E.P.A. projections.
The rules also would have put the United States, historically a laggard in fuel economy regulations, at the forefront worldwide in the manufacture of electric and highly fuel efficient vehicles. The United States and Canada are the only major nations that have adopted mandatory emissions standards through 2025. The European Union has only recently proposed standards for 2025 and 2030, while China has only started to work on standards for those years.

Less restrictive regulations in the United States could provide an opening for automakers to push for more lenient standards elsewhere as well, leading to the emission of more pollution by cars around the world. While sales of electric vehicles are starting to take off, they still represent barely 1 percent of global car sales. A shift among car buyers toward larger cars and trucks (https://www.nytimes.com/2018/03/03/climate/suv-sales-global-climate.html) is already impeding progress in fuel economy.

“The concern is that automakers will go around the world basically trying to lobby regulators, saying, look, because the United States has reduced the pace, everywhere else should too,” said Anup Bandivadekar, a researcher at the International Council on Clean Transportation, a think tank that focuses on clean car technology and policy. Global carmakers “apply developments in one region to lobby for changes in other regions.”

American automakers initially accepted the plan by Mr. Obama in 2009 to harmonize what was then a hodgepodge of pollution and efficiency standards set by the E.P.A., the National Highway Traffic Safety Administration and California. And the automakers weren’t in much of a position to resist; they had just taken an $80 billion bailout to survive a global economic crisis. The plan would have spurred automakers to speed their development of highly fuel-efficient vehicles including hybrid and electric cars. But within weeks of Mr. Trump’s inauguration last year, the chief executives of the nation’s Big Three auto companies met with him in the Oval Office to say that the Obama tailpipe standard was too difficult to achieve.
Mr. Trump directed the E.P.A. under Mr. Pruitt to craft a new, less strict set of standards. The announcement expected on Tuesday would represent the first legal step in the process.

While Mr. Pruitt’s proposal to open up the Obama rules to review isn’t expected to include specific targets, “The proposed rollback is going to be quite a significant number,” said Myron Ebell, who led Mr. Trump’s E.P.A. transition team and directs the energy and environment policy at the Competitive Enterprise Institute, a Washington research organization that questions the established science of human-caused climate change. “It will be more than a couple m.p.g.,” he said.

If the legal fight between California and the Trump administration escalates, one possibility is that the federal government might try to revoke the waiver allowing California to set its own rules. Some presidents, including George W. Bush, have considered revoking the waiver, but none have tried.

The announcement by Mr. Pruitt was not expected to include a decision on challenging the waiver.

Mr. Ebell suggested that one possible legal tactic for the Trump administration could be to announce that it will refuse to renew the current waiver on tailpipe emissions, which expires in 2025, rather than to revoke it outright. That would likely delay a court fight until California moves to set standards that go beyond 2025.
But such a move would also likely formalize, at least for the time being, two
different sets of rules in the United States — the federal emissions rules, and
California’s stricter ones — a logistical headache for the industry.

While California and its ally states have long followed separate smog
standards, those have been easier for automakers to meet because a car can be
brought into compliance by adding a catalytic converter, for example.
Designing for separate mileage standards is more difficult, because fuel
economy is dependent on a car’s weight and design.

A divided market could require substantially different car designs, experts say,
putting the American auto industry into uncharted territory. It remains unclear
how the issue might be resolved. One possibility is that two very different auto
markets emerge, one with cleaner cars generally along the coasts, and another
with more polluting cars concentrated in Middle America. On the other hand,
automakers might also opt to generally adhere to the stricter California
standards nationwide, blunting the impact of any Trump administration
rollback of federal rules.
The automakers had hoped to avoid these complex scenarios by using their
clout with the Trump administration to force California to go along with a
relaxation of federal regulations. But “if they thought this would end by
California rolling over and giving up its more stringent standards,” said Kevin
Poloncarz, a San Francisco lawyer who focuses on air and climate change law,
“that was a miscalculation.”

As a result, the automakers’ victory might come with unexpected headaches
for them, said Jody Freeman, a Harvard law professor and former counsel to
the Obama administration.

For instance, if the rest of the world moves toward stricter rules anyway, the
American market could find itself an industry laggard, ceding leadership in
clean vehicle technology to markets like China or the European Union. “I don’t
really know if the auto industry wants what this administration might be
doing,” she said. “It might be like the dog that caught the car.”

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A version of this article appears in print on March 30, 2018, on Page A1 of the New York edition with the headline: U.S. Set to Blunt Pollution Rules For Automakers.

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