Economics of Car Emissions Standards Could Sell Trump on Rule

By Andrew Childers

Nov. 30 — Advocates will play up the competitiveness and economic advantages of retaining federal greenhouse gas standards for passenger vehicles in a bid to win support from an incoming Trump administration that has suggested the rules could be scaled back.

Retaining the Environmental Protection Agency’s tailpipe standards, which require vehicle manufacturers to achieve the equivalent of 54.5 miles per gallon on average in model year 2025 if all of the required emissions reductions are met solely through fuel economy improvements, will save cash-strapped consumers money at the gas pump and place American manufacturers on equal footing with their foreign competitors, advocates say.

“If these standard are reduced, it’s his strongest base of support that will be hurt the most,” Jack Gillis, an automotive expert at the Consumer Federation of America, told Bloomberg BNA.

The EPA Nov. 30 proposed retaining the emissions requirements, which were issued jointly with the National Highway Traffic Safety Administration’s corporate average fuel economy standards in 2012. The agency said in that proposal that vehicle manufacturers have a wider array of technologies available to reduce emissions than anticipated in 2012 when the standards were issued.

President-elect Donald Trump’s transition team could not be reached for comment, but aides have said the greenhouse gas emissions rule could be among many climate change regulations the new administration would consider scaling back.

“The Trump administration will complete a comprehensive review of all federal regulations. This includes a review of the fuel-economy and emissions standards to make sure they are not harming consumers or American workers,” John Mashburn, an adviser to Trump, told the Wall Street Journal after the election.

Automakers Call Decision Rushed
Automakers are divided on support for the EPA’s greenhouse gas standards, with the Alliance of Automobile Manufacturers calling the EPA’s proposal a “premature rush to judgment.”

“The evidence is abundantly clear that with low gas prices, consumers are not choosing the cars necessary to comply with increasingly unrealistic standards,” the group said in a statement. “Wishing this fact away does no one any favors, and getting this wrong has serious implications.”

The Auto Alliance, which includes Ford, General Motors and Fiat Chrysler, already has asked the incoming administration in a Nov. 10 letter to review the vehicles standards to better align the greenhouse gas emissions and fuel economy requirements.

Global Automakers, which represents Honda, Nissan and Toyota, among others, also opposed the EPA’s decision to retain the current greenhouse gas standards.

Standards Keep Manufacturers Competitive

Despite automakers’ opposition, advocates of retaining the EPA’s standards—or pursuing even more stringent requirements—will argue that the federal regulations place domestic manufacturers on an even footing with their international competitors.

“They are facing tougher standards in China and the European Union is looking at strengthening their standards. This is the direction the rest of the world is headed,” Luke Tonachel, director of the Natural Resources Defense Council’s Clean Vehicles and Fuels Project, told Bloomberg BNA.

While automakers have so far only sought tweaks to the federal program, rolling back the standards could push some states, particularly California, to pursue their own requirements. That would lead to the sort of patchwork regulatory approach manufacturers sought to avoid with their initial support for the EPA and NHTSA’s joint federal standards.

“The auto companies need to be careful what they wish for,” Dan Becker, director of the Center for Auto Safety’s Safe Climate Campaign, told Bloomberg BNA.

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