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EPA Defies Automakers by Keeping Efficiency Standards Intact

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- Final determination ends EPA review of auto carbon standards
- EPA says 50.8 mpg goal is affordable; automakers say it's not

The U.S. [Environmental Protection Agency](#) announced it's keeping vehicle efficiency standards intact through the 2025 model year, shoring up a key piece of President Barack Obama's environmental legacy against a challenge by the incoming administration.

The agency issued its determination Friday reaffirming its earlier finding that no major changes are necessary in greenhouse gas standards for cars and light-duty trucks. The move, completed just days before Obama leaves office, makes it more difficult, but not impossible, for President-elect Donald Trump's administration to ease off on the standards.

In a statement, EPA Administrator Gina McCarthy said her decision to keep the standards intact was built upon eight years of research and ample opportunity for industry input.

“At every step in the process the analysis has shown that the greenhouse gas emissions standards for cars and light trucks remain affordable and effective through 2025, and will save American drivers billions of dollars at the pump while protecting our health and the environment,” McCarthy said in a statement.

The announcement concludes the EPA’s mid-term evaluation of Obama’s auto efficiency standards, which get tougher every year through 2025. Automakers had argued that falling prices at the pump made buyers less interested in efficient vehicles, and so made achieving the standards more difficult. The standards require automakers to limit carbon-dioxide emissions by boosting their fleetwide fuel economy to a 50.8 miles per gallon average by 2025, from 35.3 mpg now.

Carmaker Concerns

Obama has described the emission standards as a key element in his fight against climate change. Carmakers have said the standards will raise vehicle costs and accused the EPA of rushing to conclude the evaluation process before Trump takes office on Jan. 20.

Automakers had expected the review to last months longer so there would be time for additional debate. The final determination was due no later than April 2018.

The accelerated decision "can only undermine confidence in the objectivity of policymaking," said John Bozzella, president of the Association of Global Automakers, which represents Honda Motor Co. and others. "It merits a serious look by the incoming administration."

The EPA standards could be reviewed by the EPA once Trump takes office, but changing them won't be easy. EPA would need to initiate and complete a new rulemaking to change the current standards, which were codified in 2012. And then it would have to defend scrapping eight years of technical analysis in court. Trump hasn't said if this will be a priority for his administration, but the American Energy Alliance, which has [several staff](#) members advising the transition, said Obama's EPA was "trying to cement an agenda that the American people have rejected" by affirming fuel economy mandates that "are outrageously unrealistic."

"Politics are clearly the motivating factor behind the Obama administration's decision as they broke with their own timeline to ram this costly mandate through before Jan. 20," said the free-market advocacy group.

EPA Timetable

The EPA had previously indicated that the proposed decision that preceded today's move, its preliminary ruling, to come in mid-2017. But the agency made the [announcement](#) on Nov. 30, when it decided to lock in the 2022-2025 rules based on a finding that they were both affordable and effective. Automakers disagreed and asked the EPA to reconsider and give them more time to make their case.

In real-world conditions, drivers will see an average fuel economy of 36 mpg by the 2025 model year, up 10 mpg from today, according to EPA.

The agency also said the technical record would have supported an increase in the standards. Automakers have adopted fuel-saving technologies faster than expected while also posting new car sales records in the U.S. market. Yet the agency chose refrained from toughening the standards "to provide regulatory certainty for the auto industry."

Luke Tonachel, a senior analyst at the Natural Resources Defense Council, says automakers have shown they can meet the standards through 2025, adding that the rules will allow car owners to save an average of \$4,000 over a vehicle's life.

Consumer Savings

"There's absolutely no basis for weakening the standards," he said.

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For its part of the mid-term evaluation, the National Highway Traffic Safety Administration will be conducting a protracted round of rule-making to formalize its fuel-economy targets for 2022-2025. The California Air Resources Board may conclude its portion of the mid-term evaluation, including the state's zero-emission vehicle requirement, in March.

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