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Auto Sector Denial Of GHG Standards 'Rollback' Request Sparks Criticism

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April 13, 2017 Recent remarks from a top auto industry trade group official signaling a call for more time to comply with vehicle greenhouse gas and fuel economy standards are sparking blowback from environmentalists, who flag the comments as seeking a significant rollback of current rules even as the industry denies it is seeking a “rollback.”

“The talk of rollback is fallacious,” Alliance of Automobile Manufacturers CEO Mitch Bainwol said during an April 11 forum alongside the New York auto show, according to a Reuters report. “What we are talking here is the nature of the slope,” he added, stating that the industry will “get to the Obama numbers. . . . We will get beyond the Obama numbers. The question is when and how.”

Bainwol's “rollback” claim is prompting both pushback and a certain amount of amusement from environmentalists and other defenders of the vehicle standards, who say a less stringent requirement in model year 2025 is the very definition of a rollback.

“They can try to paint what their requests are in whatever light they want, but ultimately they're asking for the rules to be weakened,” says one environmentalist. The source notes that postponing a deadline to meet the standards also reduces the assumed annual improvement in vehicles, which has long-term consequences for the vehicle fleet.

The dynamic suggests that the fight over the regulations is getting more heated as the Trump administration reconsiders EPA's prior decision to retain light-duty vehicle GHG standards for MY22-25.

But Bainwol's comments also illustrate the delicate political dance that the sector must perform as it tries to seize the opportunity offered by the Trump administration for more flexibility under the standards, while minimizing public criticism that such steps amount to renegeing on a landmark deal with federal regulators and California.

“What we want is rational, predictable, stable policy,” he said, according to Reuters. Automakers hope “that over time responsible parties will come together and have an honest conversation about what the data is.”

His remarks are not the first time at least a portion of the industry has suggested the need for more time to comply with the limits. Fiat-Chrysler CEO Sergio Marchionne told the Wall Street Journal in early 2015 that “All of us are going toward a relaxation of the timeline. The question is the rate of change you're going to roll out [in the standards].”

But observers say Bainwol's remarks offer one of the clearest indications to date that the auto industry broadly will press for more time to meet the vehicle GHG and fuel economy standards - - in addition other changes to achieve better “harmonization” between the GHG and fuel economy programs.

Under the Trump administration's re-opened mid-term review of the MY22-25 standards, officials plan to issue a final decision on whether to change or retain the limits by April 2018.

Also, Bainwol's reference to more compliance time is coupled with the suggestion that the auto sector might agree to deeper cuts -- albeit by an unspecified time in the future -- in exchange for not being required to meet the standards as originally designed in MY25.

'We Should Be Honest'

Supporters of the current standards say that such a deal would definitely amount to a “rollback.”

“We would welcome discussions with the auto industry about the data, the pace of technological innovation, and the transition to electric vehicles,” says a second defender of the standards. “But we should be honest that any extension of the current timetable would be a rollback of the standards.”

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Bainwol's remarks and the resulting pushback underscore the evolving efforts of both defenders and critics of the vehicle GHG rules to define the rhetorical terms of the debate in ways most favorable to their side.

The industry has also not been shy in suggesting that recent low gasoline prices should prompt a rethink of the standards, first negotiated with automakers in 2011, because they have dampened demand for the most efficient vehicles.

Supporters of the standards, however, say this argument ignores the fact that the vehicle footprint-based standards are designed to become more flexible if demand shifts to larger vehicles, lessening the fleet-wide miles per gallon target attained by the rules without necessarily penalizing automakers. -- Doug Obey (dobey@iwpnews.com)

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