

**DAILY NEWS** 

## Barrasso Distances Himself From Possible Bipartisan Vehicle GHG Statement

June 30, 2017

The Senate environment committee's top Republican is distancing himself from a nascent effort, first reported by *InsideEPA/climate*, to craft a bipartisan letter floating near-term flexibility under light-duty vehicle greenhouse gas and fuel economy standards in exchange for continued progress on emissions in later years.

The move comes in the wake of a subsequent press report suggesting that the effort could trigger a "war" between the White House and Senate Republicans, and naming Senate Environment & Public Works (EPW) Committee Chairman John Barrasso (R-WY) as open to joining the effort to preserve the Obama-era standards.

Barrasso "is not going to be signing on to a letter on this issue. We were unable to reach consensus on text," Barrasso spokesman Mike Danylak tells *InsideEPA/climate* June 30.

The EPW chairman "is only going to take actions that support the goal he shares with the administration of ensuring Americans are able to buy the cars and trucks they want at an affordable price. [The fuel economy rules] and other environmental regulations have artificially driven up the cost of vehicles for American consumers," he added.

The comments cast doubt on the prospects of widespread GOP support for <u>a nascent effort</u> by EPW ranking member Tom Carper (D-DE) to develop a bipartisan letter urging the Trump administration to negotiate with a variety parties on vehicle GHG standards.

However, multiple observers have said for months that the auto industry faces real risks from what could become a massive, years-long legal battle over the administration's restarted "mid-term review" of GHG limits for model year 2022-2025 vehicles.

That suggests that underlying pressure for some kind of a durable, long-term deal could make a bipartisan endorsement of such talks -- and either tacit or explicit Senate support for them -- more viable then it now appears.

"The standards are in place. The next administration rolls them back and the next administration comes in and says we are going to make up for lost time. It's just not doable," says one industry source, describing the dynamic as a "pendulum" effect.

Sources in recent days told *InsideEPA/climate* that the early Carper effort -- premised on the notion of negotiating rules through MY30 in exchange for possible flexibility for industry for the MY22-25 requirements -- could appeal to multiple sides in the debate.

They cite automakers' request for more near-term flexibility under the regulatory program and praise for Trump's decision to reopen the MY22-25 review. But at the same time, they say, the industry faces major regulatory uncertainty from an all-out war over the standards.

Meanwhile, environmentalists and states like California are loathe to agree to any MY22-25 flexibility, but it is possible they they may be willing to sign on or at least limit their attacks on such a move in exchange for continued progress on vehicle GHG rules through MY30.

## 'Working With Democrats'

A <u>June 30 report from E&E News</u> cites Barrasso as at least one Senate Republican "working with Democrats" in an effort to protect "Obama-era fuel economy standards" from the Trump White House.

The report also links to a <u>draft of a letter</u> that had been under discussion. The language notes that failure to reach negotiated agreement on the MY22-25 rules would "likely lead to the end to the single national set of standards to which companies must comply, and protracted litigation, outcomes that benefit no one."

Also, the draft text discusses both potential "flexibilities" in the MY22-25 timeframe and suggests talks on MY26-30 standards that "will result in the continued adoption of conventional and advanced fuel-efficient technologies that maximize the corresponding benefits to consumers, the environment, and workers in the auto sector."

A knowledgeable source characterizes the text as an earlier draft that has since been modified, but did not elaborate.

Danylak's comments to *InsideEPA/climate* appear to rule out a joint Carper-Barrasso effort that could have been a instance of bipartisanship regarding climate rules that typically expose stark divides on EPW.

But the timing of his comments also suggests the Barrasso camp was unnerved by the suggestion in the *E&E* report that such an effort would mean war with the Trump White House. That report describes Barrasso as cooperative on an effort to protect "Obama-era fuel economy standards" from potentially administration attacks, and it includes a quote from Republican lobbyist Mike McKenna calling Hill staff discussions on the issue a "big middle finger to Trump."

*E&E* originally included the "middle finger" phrase in the story's headline but subsequently changed it to say, "GOP chairmen may join Dems to preserve Obama auto regs."

The story also cited overtures to Sen. John Thune (R-SD), chairman of the Senate transportation panel with oversight of the Department of Transportation, to also join Carper's effort.

In the *E&E* story, Danylak said that "consensus on language in any potential letter on this issue has not been reached," but left the door open to the possibility.

"Barrasso will only send a letter if it supports policies that he is in favor of and that are also supported by the administration," he said to *E&E*.

A separate source familiar with the issue says Barrasso had agreed to sign on to "similar" text.

## 'A Good Thing'

Auto industry trade groups to date have been publicly shy about the bipartisan letter effort. But the industry source says that -- talk of any Senate letter aside -- the notion of a full-scale war over the vehicle GHG regulations is a "terrible prospect" for manufacturers that have to plan their product fleets years in advance. The "pendulum" effect with wildly different approaches from each new administration would threaten such planning, the source says.

Another industry source says that, in principle, "everyone would agree that if you can get the parties together and avoid litigation, that would be a good thing."

The Safe Climate Campaign's Daniel Becker called the notion of a bipartisan effort on vehicle GHGs "at least worth a try," and said "it is unusual these days for even a small semblance of bipartisanship to bud."

Becker also took a swipe at McKenna's reference to a potential Republican war on the issue. "Isn't it fascinating that a Republican lobbyist for industry is the guy who seems to be trying to blow up that process and tear the bud off the tree." -- Doug Obey (dobey@iwpnews.com)

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