The New York Times

"An increasing number of cars achieve the goal now," said Dan Becker, director of the Safe Climate Campaign, an advocacy group.

Vehicles already clearing that bar include hybrids like the <u>Toyota Prius</u> and <u>electric cars</u> — models that are drawing few buyers as gasoline sells for less than \$3 a gallon. To comply with the 2025 targets, more popular models, like S.U.V.s, would need new technology, which could raise prices for consumers.

Mr. Becker also said fuel-economy improvements in the last several years had not stopped automakers from earning record profits. "The industry is just trying to take advantage of Trump's anti-regulation policies and put the health of people and the environment at risk," he said.

Energy & Environment

Automakers Call on E.P.A. Chief to Ease Fuel-Efficiency Standards

By NEAL E. BOUDETTEFEB. 22, 2017

President Trump has vowed to roll back regulations on business, and automakers are wasting no time in pushing his administration to make good on the promise.

Two lobbying groups representing auto manufacturers have written letters urging the new head of the <u>Environmental Protection Agency</u>, Scott Pruitt, to reverse <u>a decision last month</u> by the Obama administration to move forward with tougher fuel-economy standards that carmakers are supposed to meet by 2025.

Automakers contend the gas-mileage targets will be difficult and expensive to hit and will force them to produce more high-mileage cars at a time when most Americans are buying sport utility vehicles, trucks and other roomy models that are less fuel-efficient and more profitable.

The Obama administration's fuel-economy targets "threaten to depress an industry that can ill afford spiraling regulatory costs," Mitch Bainwol, the chief executive of the Alliance of

Automobile Manufacturers, <u>wrote in a letter</u> on Tuesday. The group represents 12 manufacturers, including General Motors, Ford Motor and Fiat Chrysler Automobiles.

A <u>second letter</u> was sent by the Association of Global Automakers, which represents 12 foreign car companies with significant operations or sales in the United States.

Environmentalists said the lobbying groups overstated the difficulty and cost of reaching the 2025 targets, which require an average fuel-economy rating of 54.5 miles per gallon across a company's entire fleet sold in the United States. That number is based on a complicated formula, and automakers estimate it is the equivalent of about 40 miles per gallon in real-world driving.

"An increasing number of cars achieve the goal now," said Dan Becker, director of the Safe Climate Campaign, an advocacy group.

Vehicles already clearing that bar include hybrids like the <u>Toyota Prius</u> and <u>electric cars</u> — models that are drawing few buyers as gasoline sells for less than \$3 a gallon. To comply with the 2025 targets, more popular models, like S.U.V.s, would need new technology, which could raise prices for consumers.

Mr. Becker also said fuel-economy improvements in the last several years had not stopped automakers from earning record profits. "The industry is just trying to take advantage of Trump's anti-regulation policies and put the health of people and the environment at risk," he said.

The Obama administration set the higher mileage standards in an effort to reduce tailpipe emissions and combat <u>climate change</u>, and as a means of reducing the country's dependence on foreign oil. Even if those targets are relaxed, the automakers will still need to comply with emissions rules set by California and several other states with tougher standards than the E.P.A.'s.

New fuel-economy targets were set in 2012 in an agreement reached by the Obama administration and automakers. The rule calls for steady increases in mileage, varying depending on the size of the vehicle and whether it is classified as a car or a light truck. The 2017 requirement for a large car is 33 miles per gallon, or about 25 miles per gallon in real-world driving. Most automakers meet or are close to this year's goals, but they say the additional gains required through 2025 will be harder to achieve.

While the automakers would all prefer more lenient targets than the 2025 ones, they differ on the specifics. Some have invested heavily in new technologies and would prefer to have the standards continue to rise, albeit more modestly, to help ensure a market for their advanced vehicles. Honda, Hyundai and Toyota are planning a range of hybrids, electric vehicles and cars powered by hydrogen fuel cells to sell within a few years.

Others, such as Fiat Chrysler, have a lineup heavy on trucks and S.U.V.s and would be better off with a significant rollback in fuel-economy requirements.

The letters from the manufacturer lobbying groups represent the latest push by carmakers for a reprieve from the emissions and fuel-economy standards. This month, 18 auto-company chief executives wrote a letter to Mr. Trump on the same issue.

During the presidential campaign, on Twitter and in campaign stops, Mr. Trump heavily criticized automakers, especially Ford, for investing in Mexico. He has also threatened to impose a border tax on imports from Mexico, where many cars sold in the American market are made, especially smaller, less profitable models.

But after the election, the president and automakers became more closely aligned. Ford won praise from Mr. Trump after it announced it was <u>canceling plans to build a new plant</u> in Mexico. Other automakers have also announced plans to add jobs and invest in the United States.

In January, Mr. Trump met with the chief executives of Ford, G.M. and Fiat Chrysler at the White House and encouraged them to add jobs in the United States in exchange for more favorable regulatory and tax policies.

Mr. Pruitt, the administrator of the E.P.A., is most likely predisposed to listen to automakers' concerns about fuel-economy targets. While Oklahoma's attorney general, Mr. Pruitt <u>frequently</u> <u>sued the E.P.A.</u> and worked closely with oil and gas companies fighting the agency's regulations.

The auto lobbying groups asked Mr. Pruitt to reopen a review of the 2025 fuel-economy targets that had been expected to last until early 2018. That review was cut short on Jan. 13 — seven days before Mr. Trump was inaugurated — when the outgoing administrator, Gina McCarthy, issued a "final determination" that the targets should remain in place.

Even if Mr. Pruitt reopens the review and ultimately sides with the industry, automakers will need to continue spending to develop fuel-saving technologies, given the mileage or emissions requirements in many states, as well as Europe and China, that manufacturers will have to meet. Those standards continue to get tougher.

"The rest of the world is still pressing ahead with higher standards," said Michelle Krebs, a senior analyst at <u>Autotrader.com</u>. "Even if they ease regulation in the U.S., companies will still have to do this to be compliant in other markets."

A version of this article appears in print on February 23, 2017, on Page A13 of the New York edition with the headline: Automakers Push E.P.A. to Ease Fuel-Efficiency Standards Developed Under Obama.

https://www.nytimes.com/2017/02/22/business/energy-environment/automakers-pruitt-mileage-rules.html?_r=0