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Automakers ask EPA to overturn recent review of fuel-efficiency standards

By [Juliet Eilperin](#) and [Steven Overly](#) February 22 at 9:27 PM

The world’s biggest automakers have asked Environmental Protection Agency Administrator Scott Pruitt to reconsider a recent decision to lock in strict fuel efficiency standards for cars and light trucks to be produced in model years 2022 to 2025.

The requests by the Alliance of Automobile Manufacturers and the Association of Global Automakers to relax the standards, which the Obama administration finalized Jan. 13, could provide the first indication of how the Trump administration will reshape the government’s approach to addressing climate change. Under President Barack Obama, the EPA used its authority to set the first fuel economy standards to regulate carbon emissions from the auto industry.

In 2012, when the EPA and the National Highway Traffic Safety Administration adopted rules requiring the nation’s car and light-truck fleet to [average 54.5 miles per gallon by 2025](#), the EPA agreed to review the target in 2017 to determine whether it was still feasible. The Obama administration accelerated that midterm review and recently determined the target was still achievable even though the [increased sales of sport-utility vehicles and pickup trucks](#) was depressing the auto fleet’s overall fuel economy.

In a letter sent to Pruitt on Tuesday — his first day in the job — the Alliance of Automobile Manufacturers said that determination “should be reviewed and withdrawn,” arguing that the EPA had failed to conduct a “robust” evaluation of the standards’ feasibility.

“Our view is that they didn’t finish the process and didn’t finish gathering the data,” said Gloria Bergquist, the alliance’s vice president.

The alliance, whose members account for three-quarters of the U.S. car and light-truck market, warned that if the limits remain in place, they “threaten to depress an industry that can ill afford spiraling regulatory costs.”

Automakers are particularly concerned about the poor sales of electric and hybrid vehicles, which regulators and carmakers alike expected would increase the fuel efficiency of their overall fleet. Those vehicles have made up less than 4 percent of new car sales in recent years, and analysts do not expect that to improve as long as gasoline prices remain low.

“They’re building these vehicles, they’re discounting the hell out of them, and they’re still not moving the needle on sales,” said Michelle Krebs, senior analyst at AutoTrader. “The consumer demand part of the equation is a big challenge.”

But other groups say that the automakers are capable of meeting the existing fuel efficiency targets and that the EPA spent extensive time and money to determine whether the targets are practical.

Dan Becker, director of the Safe Climate Campaign, said Wednesday that the EPA had conducted “tear-down studies” in which it took apart current engines and put them together again, weighing the cost of every component before deciding the companies had the technology to economically meet the targets. That process cost the agency about \$30 million.

EPA spokeswoman Julia Valentine said agency officials “are reviewing the letters” from both auto groups.

Pruitt signaled during his Senate confirmation hearing that he planned to “review” the standards, along with whether California had the right to impose stricter regulations than the federal government.

Historically, California has been able to obtain waivers under the Clean Air Act to set its own auto emissions rules, and the current standards reflect an agreement struck during Obama’s early months in office to create consistency nationwide and between federal agencies.

Because California is the largest market for car sales in the country, industry analysts expect automakers will continue to build vehicles that meet its more stringent standards regardless of any changes that come out of the EPA.

“All of this pushing and pulling at the federal level is in many ways irrelevant if California is not at the table and willing to ease these car regulations that they’ve implemented,” said Rebecca Lindland, senior director at Kelley Blue Book.

Mary Nichols, who chairs the California Air Resources Board, said the two national trade associations have decided to launch a procedural attack because they realize “a public-relations campaign against fuel economy is not likely going to be a winner.”

“If the election results had been different, the auto industry wouldn’t be making a peep about the standards,” she said.

Many automakers initially embraced the idea of setting a single emissions standard, and back in 2009, having just provided a massive bailout to U.S. auto companies, the federal government was in a strong negotiating position. Two years later, they agreed to stricter emissions standards for the 2017-2025 model years.

The election of President Trump has shifted the negotiating dynamic between auto manufacturers and federal officials once more, particularly as the president presses these firms to keep their operations in the United States rather than move them abroad. Several automakers have expressed a willingness to do that, but [during their meetings with Trump](#) they have emphasized that they need regulatory and tax relief to preserve American jobs.

Ford Motor chief executive Mark Fields said on a recent earnings call that he and his colleagues voiced their objections to the 2022-2025 standards when they met with Trump in late January.

“And we think it’s really important to get a balanced outcome, balance between making sure that we reconcile interest in reducing carbon into the atmosphere which we’re all for but also good jobs and also affordability for customers,” Fields said. “So we may see some actions on that which could be positive for our business.”

Representatives from Ford, GM and Fiat Chrysler declined to answer questions Wednesday and deferred to the Auto Alliance letter.

Steven Mufson contributed to this report.

https://www.washingtonpost.com/national/health-science/automakers-ask-epa-to-overturn-recent-review-of-fuel-efficiency-standards/2017/02/22/81ad1398-f920-11e6-9845-576c69081518_story.html?utm_term=.71025ae4081c