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## **Trump tells leaders of U.S. automotive industry he'll ease rules to bring back jobs**

By [Steven Overly](#) January 24 at 7:04 PM

President Trump told executives from the country's largest automakers Tuesday that he would ease environmental rules and other regulations to encourage the return of manufacturing jobs to the United States, a pledge that some analysts question will be as effective as promised.

Just the day before, Trump told business leaders he would cut regulations by 75 percent and "massively" cut corporate taxes. When meeting the chief executives of General Motors, Ford Motor Co. and Fiat Chrysler, he specifically targeted environmental regulations, which he called "out of control."

Though Trump spoke often on the campaign trail about the need to revive manufacturing across the economy, he narrowed in on the automotive industry in particular in the weeks following his election. He separately criticized Ford, GM and Toyota for plans to build certain cars in Mexico and then sell them in the United States.

But even the positive overtures Trump offered during the White House meeting — which came after weeks of taunting the automotive industry over Twitter — may not compensate for the fact that automakers can produce vehicles more cheaply in Mexico and will probably see softening demand for cars in the coming years, analysts say.

“No matter how many incentives you offer automakers or [whether you] give them tax breaks, you still have the labor issue to deal with,” said Michael Harley, an executive analyst at Kelley Blue Book. “And you’re never going to be able to meet that on a one-to-one basis.”

Trump called himself an environmentalist when he sat down with the leaders of General Motors, Ford and Fiat Chrysler and said his administration will focus on “real regulations that mean something” while eliminating those that he finds inhospitable to business.

Executives declined to answer questions after the meeting, including whether the president cited any specific regulations he would cut. Only a portion of Tuesday’s gathering was open to the news media.

Industry leaders contend that complying with increasingly stringent fuel economy standards increases the cost of making cars, which must then be passed on to buyers or compensated for with job cuts. Those regulations were introduced during President Barack Obama’s first term to reduce pollution and encourage investment in eco-conscious technology. The Environmental Protection Agency upheld them in a review concluded two weeks ago.

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Analysts have speculated that Trump could ease those regulations or others that impact the industry as a reward for companies creating more jobs in the United States.

“There is a huge opportunity working together as an industry with government that we can improve the environment, improve safety, and improve jobs creation and the competitiveness of manufacturing,” General Motors chief executive Mary Barra told reporters after the meeting.

Ford chief executive Mark Fields and Fiat Chrysler chief executive Sergio Marchionne also attended Tuesday’s meeting.

Vice President Pence, Chief Strategist Stephen K. Bannon, Chief of Staff Reince Priebus and Senior Adviser Jared Kushner attended on behalf of the administration.

Though regulatory changes could make it more appealing to manufacture in the United States, companies will still find there are significant economic and trade advantages to building in Mexico, including cheaper labor and fewer export restrictions, said Kelley Blue Book’s Harley.

The big automakers also make investments knowing they will outlive any single president, regardless of what policies or regulations are put in place, said Kristin Dziczek, director of the industry, labor and economics group at the Center for Automotive Research.

“This industry has been around for 100 years, and plants last for 40 or 50 years or more,” Dziczek said. “They can’t be swerving left and right every time there is a political change.”

Trump has threatened automotive companies that build abroad with a 35 percent tariff on goods imported to the United States for sale. Whether Trump has the power to impose such a tax on select companies has been called into question.

Trump met Monday with business leaders from a smattering of industries, including Fields and Tesla chief executive Elon Musk. The automotive leaders were told to devise a “series of actions” that will boost U.S. manufacturing and submit those plans to Trump within the next 30 days.

**[https://www.washingtonpost.com/business/economy/trump-tells-leaders-of-us-automotive-industry-hell-ease-rules-to-bring-back-jobs/2017/01/24/a3f2b8d4-e266-11e6-a547-5fb9411d332c\\_story.html?utm\\_term=.baacd3e584da](https://www.washingtonpost.com/business/economy/trump-tells-leaders-of-us-automotive-industry-hell-ease-rules-to-bring-back-jobs/2017/01/24/a3f2b8d4-e266-11e6-a547-5fb9411d332c_story.html?utm_term=.baacd3e584da)**