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## **Trump's EPA Expected To Roll Back Obama-Era Fuel Economy Targets, But Will California Go Along?**

**By: Greg Gardner  
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The Trump administration is expected imminently to roll back Obama-era fuel economy standards, but, depending how far the standards are cut, the result could be a divided market and slower development of more efficient electric vehicles essential to a future of autonomous transportation.

The U.S. Environmental Protection Agency could disclose the decision as soon as Friday or early next week, according to two sources familiar with the matter.

In 2012 the agency set a goal that each manufacturer’s cars and light trucks average 54.5 miles per gallon by 2025, with a provision to re-evaluate that goal beginning in 2017.

Current EPA Administrator Scott Pruitt last August asked for comments on whether that standard should be eased.

The real-world target for 2025 was flexible, however, because it took into account the mix of vehicles a manufacturer sells. For example, companies such as General Motors, Ford and Fiat Chrysler that sell many pickup trucks would have a more lenient fleet average than companies that sell a higher proportion of subcompact and midsize cars.

Because of Pruitt’s penchant for deregulation and consumers’ preference for heavier pickup trucks and SUVs, many industry groups saw an opportunity to ease the standards.

In February, the Alliance for Automobile Manufacturers, whose members produce about 70% of new vehicles sold in the U.S., warned the National Highway Traffic Safety Administration that the EPA under the Obama administration over-estimated what the industry’s technology can achieve when it set the 54.5 mpg target.

The problem is that the California Air Resources Board is not likely to ease its greenhouse gas emission standards. While emissions are a different metric than fuel economy, stricter emission standards require more efficient burning of gasoline.

CARB’s influence is important not only because it sets rules for the largest state, but 12 other states (concentrated on the West coast and the Northeast) opted to follow California’s rules. Together those states and the District of Columbia account for about 35% of new vehicle sales in the U.S.

"We are troubled about the rumors that the EPA has found the standards to be too aggressive and that they need to be weakened," said Stanley Young, a CARB spokesman. "We feel strongly that weakening the program will waste fuel, increase emissions, and cost consumers more money. It's not in the interest of the public or the industry."

In 2012 when the Clean Car Standards took effect, the EPA estimated by achieving the fuel economy goals, vehicles sold between the 2017 and 2025 model years would save about 4 billion barrels of oil and reduce greenhouse gas emissions (primarily carbon dioxide) by 2 billion metric tons.

AAM wants the standards eased, arguing they are unrealistic when consumers consistently choose larger pickup trucks and SUVs over small and midsize cars.

Gloria Bergquist, the group's spokeswoman, said the standards assumed a market split of two-thirds passenger cars and one-third light trucks. Today the mix of new vehicles sold is just the reverse of that.

But increased use of aluminum, carbon fiber and other lightweight materials have enhanced the mileage of all new models, regardless of size.

For example, when Ford's all-aluminum body F-150 pickup truck launched in 2015 uses about 180 fewer gallons of gas each year than the steel-body model it replaced.

The push toward electrified powertrains is also driven by market forces and the goal of bringing fully autonomous vehicles to market in the next three to five years. General Motors plans to introduce 20 new electric vehicle models by 2023.

Ford is investing \$11 billion over the next four years to bring 40 new all-electric, hybrid and plug-in hybrid models to market.

Earlier this week, Ford Chairman Bill Ford and CEO Jim Hackett said Ford is committed to reducing its vehicles' carbon emissions consistent with the Paris Climate Accord, despite the Trump administration's withdrawal from the pact.

"We already have charted a course for our future that includes investing \$11 billion to put 40 hybrid and fully electric vehicles on the road by 2022," the two executives wrote on Medium.com. "We support increasing clean-car standards through 2025 and are not asking for a rollback."

Margo Oge, a former EPA official who helped negotiate the Obama administration regulations, has said other companies have expressed reservations similar to Ford's about a significant reduction in the standards.

Oge told the Washington Post some of those automakers want more options that simply a lower miles-per-gallon target.

Earlier this month General Motors CEO Mary Barra met with Transportation Secretary Elaine Chao, who along with Pruitt, have responsibility for enforcing or revising the standards.

Environmental groups remain skeptical that automakers will overrule AAM, even when there are nuanced differences among alliance members.

"Automakers are urging the current administration to weaken standards, and Pruitt's EPA and Chao's DOT seem dead-set to do exactly that," said Dave Cooke, an analyst with the Union of Concerned Scientists' clean vehicles program.

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