Realistically, it's pretty unlikely that Pruitt would seek to rescind California's waiver, said Dan Becker, director of the Safe Climate Campaign.

If EPA sought to rescind the waiver, "my guess is they would end up in court, and it would take a couple of years, and California would win," Becker said.

"We want to see no harm done to the current standards," said Becker of the Safe Climate Campaign.

"The best results from this administration could be leaving the standards alone," he said. "But even that seems wildly optimistic."

5 things to know about EPA rollback of Obama efficiency rules

By: Maxine Joselow

U.S. EPA plans to issue a draft decision by Sunday that Obama-era clean car rules are too aggressive and should be relaxed.

The decision stands to affect millions of cars and ratchet up pollution from the transportation sector, which recently replaced the power sector as the country's largest source of greenhouse gas emissions.

The Washington rumor mill has been churning about the timing of the decision, with some saying Administrator Scott Pruitt will make an announcement tomorrow and hold an event Tuesday. EPA spokeswoman Liz Bowman declined to comment on the timing: "I don't have any information to share at this time on any pending announcements," she said.

Here are five things to know before the decision:

What's up for consideration?
EPA is considering rules for tailpipe emissions from cars and light-duty trucks made from 2022 to 2025.

The rules, known as corporate average fuel economy (CAFE) standards, set the ambitious goal of boosting fuel economy to a fleet average of 54.5 mpg by 2025. That's roughly equivalent to 36 mpg in real-world driving.

Facing pressure to reduce the country's reliance on oil after the 1973 Arab oil embargo, Congress first enacted CAFE standards in 1975.

In 2011, California and the Obama EPA reached an agreement with automakers for fuel economy standards by 2025, but they included a provision for a "midterm review" in 2018 (halfway between 2011 and 2025) to see whether the standards were feasible. EPA is now conducting that midterm review, and the deadline for announcing whether it wants to keep or weaken the standards is April 1.

The first step of the midterm review was a technical paper from EPA, the National Highway Traffic Safety Administration and the California Air Resources Board (CARB) assessing whether industry can meet the proposed standards. The paper found that the industry had been doing a good job of innovating but that 50 mpg was a more realistic standard than 54.5 mpg.

What's up with California?
Under Section 209 of the Clean Air Act, EPA can grant California a waiver to set its own, more stringent standards. Since the passage of the Clean Air Act, EPA has issued the state more than 100 waivers, and none has been rescinded.

Meanwhile, under Section 177 of the Clean Air Act, other states can sign on to California's standards in lieu of the federal standards. Thirteen states and the District of Columbia currently follow California's standards, representing about 40 percent of new vehicles sold in the country.

Experts say EPA must compromise with California on fuel economy rules if it's serious about having one national program, which would provide automakers with regulatory certainty.

Bill Wehrum, head of EPA's Office of Air and Radiation, met this week with Mary Nichols, who heads CARB (Climatewire, March 29).

Nichols has signaled a willingness to compromise on 2025 standards in exchange for deciding on 2030 targets.

CARB spokesman Stanley Young said in an email, "We are troubled about the rumors that the EPA has found the standards to be too aggressive and that they need to be weakened."

Young added, "California paved the way for a single national program and is fully committed to maintaining it. However, we feel that this rumored finding — if official — places that program in jeopardy. 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."

What has Pruitt said about California?
Pruitt is in a bit of a pickle when it comes to California's waiver (Climatewire, March 23).

On the one hand, he's repeatedly advocated for states' rights as head of the agency. On the other, he's talked tough about the state's ability to set its own limits (E&E News PM, March 13).

Realistically, it's pretty unlikely that Pruitt would seek to rescind California's waiver, said Dan Becker, director of the Safe Climate Campaign.

If EPA sought to rescind the waiver, "my guess is they would end up in court, and it would take a couple of years, and California would win," Becker said.

What does industry want?
One of the largest lobbying groups for automakers is staying publicly neutral about EPA's plans to relax the fuel economy standards (Greenwire, March 26).

Gloria Bergquist, a spokeswoman for the Alliance of Automobile Manufacturers, declined to comment on EPA's decision.

Asked whether the alliance would support less stringent standards, Bergquist said that while current market conditions make it hard for automakers to reach the Obama-era standards, the industry must reduce greenhouse gas emissions to combat climate change.

"We believe that climate change is real and that we are taking steps to reduce carbon emissions," Bergquist said. "Of course, carbon is formed through combustion. So if you burn less gasoline, you produce less carbon. So higher fuel economy is helpful."

Companies that belong to the Alliance of Automobile Manufacturers, including General Motors Co. and Fiat Chrysler Automobiles NV, referred requests for comment to the alliance.

But Ford Motor Co. Executive Chairman Bill Ford Jr. and President and CEO Jim Hackett wrote in a blog postTuesday, "We support increasing clean car standards through 2025 and are not asking for a rollback. We want one set of standards nationally, along with additional flexibility to help us provide more affordable options for our customers."

Mary Barra, chairwoman and CEO of General Motors Co., met with Pruitt and Transportation Secretary Elaine Chao on fuel economy standards earlier this month (E&E News PM, March 14).

Barra said in a speech at the CERAWeek energy conference on March 7: "Our commitment to an all-electric, zero-emissions future is unwavering, regardless of any modifications to future fuel economy standards."

What do enviros want?
“We want to see no harm done to the current standards,” said Becker of the Safe Climate Campaign.

“The best results from this administration could be leaving the standards alone,” he said. “But even that seems wildly optimistic.”

Zoe Lipman, director of the vehicles and advanced transportation program at the BlueGreen Alliance, said she wishes EPA would keep the current standards because of their demonstrated economic benefits.

“Leadership on fuel economy has really driven enhanced innovation and investment and boosted manufacturing and jobs,” Lipman said. “It’s enhanced the auto industry’s recovery above and beyond what we would have seen otherwise.”

The United States risks losing its edge in the global race to develop the next generation of cars, she added. “All over the world, we’re seeing other countries move very quickly to speed investment and innovation in these technologies and the next generation of vehicles.”