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Trump's EPA embraces an odd argument against fuel economy: It will kill people

By: Evan Halper

The Trump administration is embracing a curious — and some would say dated — argument as it builds its case to weaken federal rules championed by California that require cars and SUVs to average 55 miles per gallon by 2025.

It is warning that the fuel-efficiency targets, seen by most as key to meeting climate and air quality goals in California and nationwide, could actually end up killing people.

Taking a cue from auto dealers and free-market think tanks skeptical of mainstream global-warming science, Trump's Environmental Protection Agency chief Scott Pruitt is tossing aside reams of federal and California data showing the fuel economy standards are perfectly safe. Instead, Pruitt's directive this month to potentially scale back the fuel standard says "an important factor" is the need to reexamine safety issues.

The agency is preparing to make the case that tough fuel economy rules could effectively force automakers to sell smaller, lighter and thus less crash-worthy vehicles. That, in turn, would lead to more crash-related deaths. And it warns the rules could drive up the cost of cars to the point that consumers will put off buying new, safer models equipped with life-saving technology improvements.

It's a decades-old debate, and one the administration is not particularly well positioned to win. But it is scrambling for leverage in an intensifying confrontation with California, which has considerable power to derail the administration's plan to give automakers a break.

The EPA and National Highway Transportation Safety Agency will unveil in the coming months how much they plan to water down the mileage targets, and their supporting evidence for such changes.

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Under the Clean Air Act, California has its own authority to set mileage standards stricter than those of the federal government. A dozen other states currently embrace California's rules, as federal law allows, and if they refuse to go along with the weaker targets the administration settles on, automakers are in a bind.

Anything other than a single national standard destabilizes their business model of building one fleet of cars suitable for the entire country. Though the law set the target at 55 miles per gallon, it was based on outdated testing methods. So it is widely accepted that the actual 2025 goal, as reflected by real-world driving conditions, is closer to 44 miles per gallon.

California and its allies say they will not yield.

"The idea that we're going to roll back the auto standards is absurd," Gov. Jerry Brown told reporters in Washington on Tuesday. "It's not going to happen, and the attempts to do this are going to be bogged down in litigation long after we have a new president."

The defiance has moved the administration to send threatening signals to the state. Pruitt is making clear he may try to revoke the state's decades-old authority to set its own rules, an unprecedented move. Pruitt would have to persuade the courts that he has compelling reasons.

One of them — he hopes — would be that California's crusade for aggressive mileage targets carries a death toll.

It is an argument long advanced by Pruitt's allies at the Competitive Enterprise Institute, a group funded by the network of donors led by industrialists Charles and David Koch. The institute and other Koch-funded groups recently sent Pruitt a letter, pushing him to revoke the waiver allowing California to set its own rules. They accused the state of pursuing a radical national agenda against gas-powered vehicles.

"In our view, CAFE has always threatened lives," Sam Kazman, general counsel at the institute, said of the federal rules, called corporate average fuel economy, or CAFE, standards. He accuses federal agencies of covering up the "death toll" that the downsizing of the fleet has created, and points to findings by the Insurance Institute for Highway Safety that occupants of larger, heavier vehicles are most likely to survive a crash

The problem the Trump administration confronts in embracing that argument: The fuel economy rules don't necessarily push consumers into smaller, less-safe cars.

"Manufacturers don't comply with these rules by making more small vehicles," said Adrian Lund, who recently retired as president of the Insurance Institute for Highway Safety. Rolling back the rules, Lund said, would not make drivers safer.

The standards require that every car become more fuel-efficient. But they do not dictate which cars hit showroom floors. Automakers can continue their trend of selling more SUVs under the rules.

Lund said meeting the targets safely merely requires automakers to focus more of their technology development on fuel savings. Instead, he said, automakers are putting too much emphasis on boosting car and SUV horsepower to levels drivers don't need. "Frankly, I don't think people would miss that power," he said.

The theory that fuel economy rules lead to more deaths gained currency 30 years ago, when researcher John Graham co-wrote a landmark study that found the standards were pushing drivers into less-safe cars. The regulations have evolved since then, Graham said in an email, in large part because of changes he pushed while serving as regulatory czar for George W. Bush that require automakers to make all their vehicles lighter and more fuel-efficient.

California's push to keep the Obama-era rules in place is backed by extensive safety modeling. It gamed out potential safety concerns by redesigning three models of cars — a Toyota Venza wagon, a Honda Accord sedan and a Chevy Silverado pickup — with the most lightweight materials. The simulated crash testing showed fatalities would not increase, according to officials at the California Air Resources Board.

The Trump administration knows such testing results — and similar testing done by the federal government — undermine its argument that the fuel economy standards are unsafe. So it is also arguing the lightweight materials drive up the cost of vehicles so much that many consumers won't be able to afford new cars and SUVs equipped with technologies designed to keep drivers alive, such as automatic breaking systems and blind-spot monitoring.

Pruitt wrote in his directive that the EPA plans to "examine the possible impacts of fleet turnover on safety." Translation: The EPA will argue the rules threaten to stymie new car sales because fewer people will be able to afford them. In doing so, Pruitt is embracing an argument advanced by the National Automobile Dealers Assn. that the Obama administration and California found had little merit.

The targets would "price millions of potential buyers out of the market," association President Peter Welch warned in his late 2016 congressional testimony.

It's a challenging case to make. By 2025, the targets would raise the average cost of a vehicle by less than \$900. But that cost increase is eclipsed by savings that drivers would enjoy at the pump from more efficient vehicles.

Graham said auto dealers may still have a point. As the price of gas stays low and car buyers are less motivated by fuel-efficiency, he said a case could be made that the rules are pushing some people to hold off on making a purchase. If the administration unearths credible data, Graham said, that could support "additional compliance flexibility" with the fuel economy targets.

But whether it would justify the extreme step of revoking California's waiver is another question. The state has already made clear to the Trump administration that if modest changes are all it is after, California is open to discussing them in exchange for an agreement to keep pushing for aggressive fuel economy targets beyond 2025.

California Air Resources Board spokesman Stanley Yong said talks so far have been "highly nonsubstantive." "We have not seen any data or analysis we could consider as even the beginning of negotiations," he said.

That may be because the Trump administration is struggling with some awkward data points as it tries to build the case that the standards create a safety hazard. Becker points out that sales of new cars keep growing — suggesting fuel economy targets are not really keeping drivers from buying newer, safer cars.

"If these standards are so terrible," he said, "why are these companies selling record numbers of cars and making record profits?"