“They’re nervous about being seen as perpetrators of this attack on human health and the environment,” said Daniel Becker, who directs the Safe Climate Campaign at the advocacy group Center for Auto Safety. “It’s a big thing to be accused of.”

Automakers Sought Looser Rules but May Get More Than They Bargained For
By: Hiroko Tabuchi & Lisa Friedman
March 30, 2018

When executives from the Big Three automakers went to the White House last spring to ask for more lenient emissions rules, their prospects looked rosy. President Trump seemed eager to roll back regulations, and Scott Pruitt — a friend of industry — was newly in control at the Environmental Protection Agency.

Now, automakers are coming to terms with a startling reality: Be careful what you ask of President Trump, because he could go further than you expect.

The E.P.A.’s plan, which is likely to be formally launched in coming days, is widely expected to loosen regulations on greenhouse gas emissions and fuel economy well beyond what the automakers themselves had sought.

In addition, according to a White House official with knowledge of the plans, the Trump administration is expected to formally urge California — which has special authority under the Clean Air Act to set its own air pollution laws — to go along with the rollback, something the state has already said it won’t do. That could spark a legal battle between the federal government and California, potentially dividing the United States into two automobile markets, each with a different rule book governing pollution and gas mileage.

“We didn’t ask for that,” said Robert Bienenfeld, assistant vice president in charge of environment and energy strategy at American Honda Motor, in an interview Thursday evening. “The position we outlined was sensible.”

Earlier in the week, the chairman of Ford Motor Co., Bill Ford, and the company’s chief executive, Jim Hackett, wrote in a blog post that while they would like “additional flexibility” on federal environmental standards, “we support increasing clean car standards through 2025 and are not asking for a rollback.”

The developments are the latest in what began as an industry request for changes to Obama-era standards requiring automakers to nearly double the average fuel economy of new cars and trucks to 54.5 miles per gallon by 2025.

Automakers argued those rules should be loosened. But they had proposed adjustments to the Trump administration that, while significant, are viewed as far less likely to trigger a standoff with California. Twelve other states, including New York and Pennsylvania, follow California’s lead, and together they account for roughly a third of the nation’s auto market.

The manufacturers asked, for example, to be able to earn more so-called “off-cycle credits” for technology that saves fuel by shutting off the engine when it is not needed. And they argued that, when calculating the pollution impact of electric vehicles, it is unfair to count the emissions caused by generating the electricity against the auto industry, as the Obama-era rules would.

Environmentalists say that the industry runs the risk of hurting its image with car buyers if it is perceived as supporting a broader rollback of clean-air rules. “They’re nervous about being seen as perpetrators of this attack on human health and the environment,” said Daniel Becker, who directs the Safe Climate Campaign at the advocacy group Center for Auto Safety. “It’s a big thing to be accused of.”

California had been on board with the Obama administration’s standards, announced in 2012. So had automakers. Ford Motor “recognizes the benefit for the country” of the “historic program” to address fuel economy and greenhouse gases, Alan Mulally, Ford's chief executive at the time, said in a letter to federal regulators then.
But the rules came with a caveat: a review period during which the rules could be reconsidered. That review was in full swing in November 2016, when Mr. Trump won the presidency. In a pre-emptive move in its final days, the Obama administration closed the review period and finalized the standards through 2025, calling them “feasible, practical and appropriate.”

But, in a high-stakes bet, General Motors, Ford and Chrysler also decided to lobby the new president to reverse that decision and reopen the review.

At a meeting at the White House in March last year, Ford’s new chief executive, Mark Fields, told Mr. Trump that the current rules, as they stood, would endanger as many as 1 million jobs. Mr. Fields later said during a telephone call with analysts that he felt their remarks “resonated” with the president.

In letters and filings, automakers listed their demands, such as the “off-cycle credits” for shutting down the engine, and the changes to the way pollution from electricity generation is counted for electric cars.

The automakers wagered that California could be persuaded to go along with their list. But the Trump administration proved to be a wild card in the negotiations when it signaled that it would go well beyond the automakers’ requests.

The E.P.A.’s senior clean air adviser, William Wehrum, gave California regulators a heads-up earlier this week, in a trip to the state, that it would urge California to roll back its own rules, the White House official said. Both sides declined to detail those discussions.

California is “prepared to take any and all legal action” to protect its air emissions standards,” Xavier Becerra, the state’s attorney general, said Friday. “We have been down this road many times before with the Trump administration trying to gut sound environmental policy.”

Adam Nagourney in Los Angeles and Neal Boudette in Detroit contributed reporting.