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## **Trump tells world's top automakers to build more cars in US**

**By: Tom Krischer & Ken Thomas**

WASHINGTON (AP) — President Donald Trump told leaders of the world's top automakers on Friday that he wants to see more cars built in the United States as his administration weighs plans to reduce gas mileage and pollution requirements enacted during the Obama administration.

Trump said in a meeting in the Roosevelt Room of the White House that he intended to discuss environmental controls, fuel efficiency standards and the "manufacturing of millions of more cars within the United States, for Michigan, for Ohio, for Pennsylvania" and states like South Carolina and North Carolina.

As the auto executives introduced themselves, the president joked to Sergio Marchionne, the chairman and chief executive of Fiat Chrysler, that "right now he's my favorite man in the room" because he's moving a plant from Mexico to Michigan.

Trump won the presidency in 2016 in part by his strength in the industrial Midwest states of Michigan and Ohio, which employ thousands of people in the auto manufacturing industry and its suppliers. The meeting came as the administration has been holding extensive negotiations with Mexico and Canada on a rewrite of the North American Free Trade Agreement, which the auto industry is watching warily.

Asked if the deal might adversely affect the industry, Trump said, "NAFTA has been a terrible deal, we're renegotiating it now, we'll see what happens."

"Mexico and Canada, look, they don't like to lose the golden goose. But I'm representing the United States. I'm not representing Mexico and I'm not representing Canada," he said. "We'll see if we can make it reasonable."

The auto industry wants to relax the fuel economy standards, but not so much that they provoke a legal fight with California, which has power to impose its own stricter tailpipe pollution limits. Such a fight could bring two mileage standards in the U.S., forcing automakers to engineer and produce two versions of each of their vehicle models, driving up costs.

Ahead of the meeting, the White House said Trump would discuss with the CEOs the impact of the rulemaking on the auto industry and their efforts to negotiate a 'National Program' with the state of California. The meeting included Environmental Protection Agency Administrator Scott Pruitt, Transportation Secretary Elaine Chao and other officials.

In testimony before a congressional committee this month, Mitch Bainwol, CEO of the Alliance of Automobile Manufacturers, said the trade group has urged the Trump administration to find a solution that increases mileage requirements from 2022 to 2025 and includes California in order to keep one national standard.

"The resulting regulatory nightmare would ultimately harm consumers by increasing vehicle costs and restricting consumer choice," Bainwol said.

If California splits from the federal rule, it likely would be joined by 12 states that follow its standards. Together they make up about 40 percent of U.S. new-vehicle sales.

The EPA under Trump has proposed freezing the standards at 2020 levels for the next five years, according to a draft of the proposal obtained by Sen. Tom Carper, D-Del. Under the proposal, the fleet of new vehicles would have to average roughly 30 miles per gallon in real-world driving, and that wouldn't change through at least 2025.

The EPA under Obama proposed standards that gradually would become tougher during that period, rising to 36 mpg in 2025, 10 mpg higher than the current requirement. California and automakers agreed to the rules in 2012, setting a single national fuel economy standard.

Any big change by Trump certainly would bring lawsuits from environmental groups as well as California. Leaks about the Trump EPA plan already have provoked a suit from California and 16 other states.

Automakers have been lobbying the Trump administration to revisit the requirements, saying they'll have trouble reaching them because people are buying bigger vehicles due to low gas prices.

When the single national standard was adopted six years ago, cars, which get better mileage than trucks and SUVs, made up just under half of U.S. new vehicle sales. By the end of last year, however, trucks and SUVs were close to two-thirds of all sales.

Some environmental groups oppose any reduction in the standards, saying that the ones developed in 2012 allow for changes in consumer buying habits. Reducing the standards, they say, will increase pollution and raise gasoline prices at the pump.

Requirements now are lower for bigger vehicles such as trucks and SUVs, said Luke Tonachel, director of clean vehicles for the Natural Resources Defense Council. "The standards automatically adjust to the sales mix of vehicles," he said.

Environmental groups also say the industry marketed trucks and SUVs to the public because they make bring higher profits than cars.

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Auto executives attending the meeting included Marchionne, General Motors CEO Mary Barra, Ford CEO Jim Hackett and Bob Carter, executive vice president of North America for Toyota.

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