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## Trump administration talks with California over fuel efficiency break down By: Steven Mufson and Brady Dennis

The Trump administration has broken off talks with the California Air Resources Board over vehicle fuelefficiency standards and is on track to roll back standards set by President Barack Obama, according to people familiar with the negotiations.

The breakdown in talks sets up a potential clash over the state's long-standing ability to set its own more stringent standards for tailpipe emissions and fuel efficiency. California and 19 other states have demanded the Trump administration abandon its fuel-efficiency rollback.

The administration has vowed to freeze fuel-efficiency standards for cars and trucks at 2020 levels, undoing a regulation Obama established to reduce oil imports, slash carbon dioxide emissions that cause climate change, improve public health and save consumers money without compromising safety.

The administration argues sticking to the Obama-era requirements would make vehicles more expensive and encourage people to stick to driving older, less-safe cars and trucks.

The EPA declined to comment on the talks. The individuals who confirmed the breakdown in talks spoke on the condition of anonymity because they were not authorized to speak publicly.

Critics have said the new proposed freeze would benefit the oil and gas industry and cost consumers at the pump. They warn that a legal battle with California could result in a massive upheaval in the nation's automotive market if carmakers eventually have to meet different standards in different states.

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Margo Oge, a former director of the EPA's Office of Transportation and Air Quality who helped set auto regulations under Obama, called the Trump administration's fuel-standard proposals "a horrible deal for the planet, U.S. consumers and the U.S. economy."

Despite the notion that the White House is halting negotiations over the fuel standards, some officials in California said real talks never really began. They said sessions between the heads of the Environmental Protection Agency and the California Air Resources Board (CARB) were not substantive and never progressed into the nitty-gritty of policy negotiations.

"The administration broke off communications before Christmas and never responded to our suggested areas of compromise — or offered any compromise proposal at all," Stanley Young, a spokesman for CARB,

said in an email. "We concluded at that point that they were never serious about negotiating, and their public comments about California since then seem to underscore that point."

The expected change in fuel-efficiency standards would have long-lasting effects because Americans tend to drive their vehicles for an average of 16.6 years, according to a new study by David R. Keith and two other experts from the Sloan School of Management at the Massachusetts Institute of Technology.

"Improvements in the performance of the on-road fleet lag improvements in the performance of the new vehicles being added to the fleet," the authors wrote.

They said that freezing fuel-efficiency standards "will lead to a significant increase in fleet emissions to 2050 and beyond, because relatively less fuel-efficient vehicles sold between 2020 and 2026 will remain on the road for decades and place us on a trajectory of sustained higher vehicle emissions subsequently."

The breakdown of talks will almost certainly trigger litigation.

"There's no question that California has the authority to set its own vehicle standards and that states can choose to adopt those standards," said Michelle Robinson, director of the Clean Vehicles Program at the Union of Concerned Scientists.

She said the growing number of states that have chosen strong standards like California's make up a third of the U.S. auto market. "These states will keep their own strong standards in place and challenge the Trump administration's attacks," she said.

Even without the tougher CAFE standards, many automakers are pushing ahead with ambitious plans to produce more electric and hybrid vehicles. However, replacing 90 percent of the vehicles now on the road would take 19.6 years, according to the MIT paper, with light trucks lasting longest. As a result, people tend to be "overly optimistic about how quickly new technologies can diffuse into the on-road vehicle fleet."

Moreover, the Auto Alliance, a group of leading carmakers, has said that regulations must take market realities into account. The group notes that there are 80 car models that get 40 miles a gallon or more but that the sales of such vehicles are small.

"Selling gas-guzzling cars and trucks might continue to drive short-term profit, but abandoning the standards now in place would run counter to the longer arc of consumer demand, state regulations and international market forces," Oge said. "Looser standards now, when consumers and many states are demanding cleaner cars, would spell trouble for the auto industry. Almost everyone loses except the oil industry."

Meanwhile, the Competitive Enterprise Institute, an advocacy group that has received funding in the past from the fossil fuel industry, cheered reports that the Trump administration was ceasing talks with California.

"When it comes to CAFE, California has been illegally calling the shots for too long, and usually at the expense of the public," CEI's general counsel, Sam Kazman, said in a statement Wednesday. "If reports are correct, we're glad to see that the administration now views California as a state, rather than a key negotiating partner."

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