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California reaches climate deal with automakers, spurning Trump

By <u>Anna M. Phillips</u>, <u>Tony Barboza</u> July 25, 2019 9:20 AM

WASHINGTON -

Four major automakers have reached a deal with California air regulators to gradually increase fuel efficiency standards, rejecting the Trump administration's efforts to relax tailpipe pollution regulations.

The agreement between the California Air Resources Board and the automakers — Ford, Honda, Volkswagen and BMW — means that the car manufacturers have promised to achieve yearly improvements in greenhouse gas emissions and fuel efficiency. The four represent about 30% of U.S. auto sales.

The deal amounts to a direct rejection of the <u>Trump administration's plans</u>, which called for a rollback of tougher tailpipe pollution standards put in place under President Obama.

"This agreement represents a feasible and acceptable path to accomplishing the goals of California and the automobile industry," California Air Resources Board Chairwoman Mary Nichols said in a statement released Thursday morning. "If the White House does not agree, we will move forward with our current standards but work with individual carmakers to implement these principles."

California Gov. Gavin Newsom praised the deal and called for it to be expanded.

"I now call on the rest of the auto industry to join us and for the Trump administration to adopt this pragmatic compromise instead of pursuing its regressive rule change," he said in a statement.

But the Environmental Protection Agency, which has been leading the administration's effort to roll back the existing tailpipe standards, dismissed the agreement.

"This voluntary framework is a PR stunt that does nothing to further the one national standard that will provide certainty and relief for American consumers," EPA spokesman Michael Abboud said in a statement.

The administration has proposed freezing miles-per-gallon targets after 2020, a rollback that its own calculations show would increase daily gas consumption across the United States by about 500,000 barrels a day, worsening greenhouse gas emissions and contributing to the rise in global temperatures.

Under the terms of the deal, California would ease requirements on automakers over the next few years.

Instead of producing cars that have to reach a minimum of 50 mpg by 2025 — as the Obama-era standards called for — car manufacturers would have until 2026.

In addition, the more gradual year-over-year reductions would also become easier for car companies to reach. Current regulations allow automakers to earn credits by selling electric vehicles. Under the new deal, they would have more latitude to spend these credits, using them to compensate for emissions targets they wouldn't otherwise be able to meet.

In return for giving automakers more leeway, California would get a nationwide auto emissions program, at least as far as the four automakers are concerned. State regulators would also avoid what they have long considered a worst-case scenario: the Trump administration's plans to lock existing fuel efficiency targets in place.

California regulators said their arrangement with automakers would result in at least a 30% reduction in greenhouse gas emissions compared to what would have happened if the U.S. auto market were split in two -- with much of the country adopting the less stringent standards proposed by the Trump administration while California and 13 other states stick with tougher rules.

In a statement released Thursday morning, the automakers said the agreement would give them regulatory certainty by creating one standard that satisfies both federal and state regulations and "avoiding a patchwork of regulations."

"A 50-state solution has always been our preferred path forward," according to the statement.

The deal elicited a range of responses from environmental advocates.

Some praised the agreement as the best way to preserve California's unique authority to set stricter car pollution standards, while others worried that the state might have traded too much away.

"This announcement reaffirms the authority of California — and every other state — to set eminently achievable vehicle pollution standards that protect the public and curb carbon pollution," said Luke Tonachel, director of clean vehicles and fuels at the Natural Resources Defense Council.

Sierra Club Executive Director Michael Brune said that "in the face of a total abdication of duties by the Trump administration, today's announcement is a positive step forward."

But Dan Becker, director of the Safe Climate Campaign and the Washington-based Center for Auto Safety, said the agreement would result in less than half of the greenhouse gas reductions automakers had agreed to under Obama.

"That means more pollution, less savings at the pump and a bad precedent for future standards," he said.

Nichols said the deal came together starting in June after individual automakers contacted the state saying they wanted to sit down to forge an agreement. It was hammered out over about five weeks.

In contacting state officials, the automakers defied warnings from the White House, Nichols said. Ultimately, she said, the four automakers concluded they "were better off striking a deal with California."

"This is a tremendous sign of the understanding and support of the auto industry for continued progress on meeting climate goals and a recognition that the kind of approach that the Trump

administration has taken would lead to a split within the country, would lead to worse results," Nichols said.

Nichols said it was noteworthy that the deal included Ford, one of the Big Three automakers whose popular F-150 pickup is sometimes cited as an example of the type of big, gas-hungry vehicle Americans continue preferring over smaller, more efficient models.

"The Ford F-150 meets these standards, and Ford is not about to stop making and selling them," Nichols said.

Talks between California and the White House <u>broke down earlier this year</u>, with each side accusing the other of being unwilling to negotiate.

Last month the White House rejected a <u>plea from a group of 17 major automakers</u> to restart the negotiations. The car companies warned the president that his administration's plan to weaken the standards would hurt their bottom lines and could produce "untenable" instability.

The automakers' voluntary pact with California follows a series of incremental steps the state has taken to work around the Trump administration and build a coalition of support behind retaining its tougher emissions standards.

Earlier this month, California forged an agreement with nearly two dozen governors, including some Republicans, urging the Trump administration to embrace more aggressive standards and preserve a single, nationwide set of rules. The coalition represents more than 50% of the U.S. auto market.

A few weeks earlier, in June, California signed an agreement with Canada pledging to work together in developing stricter emissions standards.

https://www.latimes.com/politics/story/2019-07-25/california-reaches-climate-deal-with-automakers-spurning-trump