

E&E NEWS

"I think the millennials on whom this industry is counting for the future are likely to be turned off by what these companies have just done," said Dan Becker, executive director of the Safe Climate Campaign. "They may rue the day that they jumped into the cesspool with Trump," he added.

5 things to know about the split between automakers

Maxine Joselow, E&E News reporter

Thursday, October 31, 2019

The U.S. auto industry is deeply divided over President Trump's rollback of clean car rules.

Three major car companies — General Motors Co., Toyota Motor Corp. and Fiat Chrysler Automobiles NV — this week sided with Trump in the legal fight over California's vehicle emissions standards (Climatewire, Oct. 29).

The manufacturers, acting through the trade association Global Automakers, said they supported the Department of Transportation's effort to block California from setting vehicle emissions limits that are more stringent than those established by the federal government.

On the opposite side of the debate, four other automakers — Ford Motor Co., Honda Motor Co., Volkswagen AG and BMW of North America — are siding with the Golden State.

The companies reached a voluntary agreement this summer with California regulators to improve fuel efficiency in the coming years, regardless of the federal rollback (Greenwire, July 25).

Here are five things to know about the industry split.

1. Trade associations are torn from within

Two big trade associations — Global Automakers and the Alliance of Automobile Manufacturers — have tried to present a unified front regarding the car rules rollback.

That changed Tuesday, when Honda refused to endorse Global Automakers' position that California should be stripped of its authority to regulate pollution from cars.

"Honda is not a participant in this litigation, and is not contributing any funds supporting our trade association's activity in this area," Robert Bienenfeld, assistant vice president at American Honda Motor Co., said in an email to

E&E News.

"We have been very clear on wanting to avoid lengthy and costly litigation on this issue, which will result in a great deal of regulatory uncertainty," Bienenfeld added.

Carol Lee Rawn, senior director for transportation with Ceres, a nonprofit that works with businesses and investors to promote sustainability, called the situation "unprecedented."

"To date, I think the companies were pretty careful in what they said, and the trade associations pretty much aligned with each other," Rawn said. "But this is pretty unprecedented to see the trade associations misaligned, and to see Honda not supporting Global Automakers."

2. Trump's happy with some companies

Trump took to Twitter yesterday to praise the three companies that are sticking with his administration.

"Thank you @GM, @FiatChrysler_NA, @Toyota, and @GlobalAutomkrs for standing with us for Better, Cheaper, Safer Cars for Americans," the president tweeted.

"California has treated the Auto Industry very poorly for many years, harming Workers and Consumers. We are fixing this problem!" he added.

Dave Cooke, a senior vehicles analyst at the Union of Concerned Scientists, said he suspects the White House pressured those companies to publicly back its plan.

"I would be shocked if the administration did not pressure them," Cooke said. "I am not aware of specific pressures in personal communications. But I certainly assume that the administration had reached out and had expected automakers to be more supportive of their stance."

A senior Trump adviser summoned auto companies to the White House in August to request their public support of the rollback, The New York Times reported at the time.

3. Consumers could push back

For years, the Prius — a hybrid electric car — has been a popular choice among environmentally conscious consumers.

That may change after Toyota aligned itself with Trump.

"I am FURIOUS with @Toyota for siding with @realDonaldTrump over California's emission standards and zeroemission vehicle mandates," Costanza Rampini, an assistant professor of environmental studies at San Jose State University, wrote on Twitter.

"I have had a Prius for 10+ years but I will switch to @Ford or @Honda ASAP," she added. "You are on the wrong side of history @Toyota."

More broadly, the auto industry has tried to woo millennials with splashy advertisements on social media, even as recent polling has found widespread concern about climate change among young people.

"I think the millennials on whom this industry is counting for the future are likely to be turned off by what these companies have just done," said Dan Becker, executive director of the Safe Climate Campaign. "They may rue the day that they jumped into the cesspool with Trump," he added.

4. Some companies are staying neutral

If the car rules rollback were a global conflict, some automakers would be Switzerland.

Volvo and Daimler, which owns the luxury brand Mercedes-Benz, have not picked a side in the standoff between Trump and California.

The silence from Daimler is conspicuous because the company pledged in May to make its entire passenger fleet carbon-neutral by the end of 2039 (Climatewire, May 13).

Daimler declined to comment, while Volvo didn't respond to a request for comment in time for publication.

5. A familiar legal battle lies ahead

GM, Toyota and Fiat Chrysler are endorsing the Trump administration's argument that California is preempted from setting vehicle emissions standards by the 1975 Energy Policy and Conservation Act.

That argument has failed in court before.

In the landmark 2007 court case *Massachusetts v. EPA*, lawyers for the George W. Bush administration tried to argue that the Department of Transportation already set fuel economy standards under the Energy Policy and Conservation Act, so EPA shouldn't have to issue greenhouse gas emissions standards for vehicles under the

Clean Air Act.

But the Supreme Court rejected the argument. The court ruled that the two statutes weren't mutually exclusive and that EPA had the authority to set greenhouse gas limits for cars and light trucks.

Also in 2007, federal courts in California and Vermont rejected auto industry lawsuits that claimed the federal fuel economy standards preempted California's clean cars program.

In *Green Mountain Chrysler Plymouth Dodge Jeep v. Crombie*, the Vermont federal district court ruled that state law is "not preempted where the required increase in fuel economy is incidental to the

required increase in fuel economy is incidental to the state law's purpose of assuring protection of public health and welfare under the Clean Air Act."

Direct link: <https://www.eenews.net/climatewire/2019/10/31/stories/1061419443>