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Trump administration guts air pollution standards

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As expected, the Trump administration has announced a rollback of federal fuel economy regulations, a move that some estimate will increase annual US carbon emissions by as much as 25 percent, as well as increasing fuel costs for consumers and putting the US auto industry at a competitive disadvantage.

The administration says weakening the standards will make new cars some \$1,000 cheaper, encouraging Americans to buy newer, safer models and leading to fewer highway fatalities. “This country needs a sensible national program that strikes the right regulatory balance for the environment, the auto industry, the economy, safety, and American families,” said EPA chief Andrew Wheeler. The weakened rule “does all of those things by improving fuel economy, continuing to reduce air pollution, and making new vehicles more affordable for all Americans.”

Others do not agree.

Twenty-three states and the District of Columbia have sued the administration over the changes. More lawsuits are in the offing, and the battle seems certain to end up in the US Supreme Court. Legal experts say the rollback is vulnerable to a court challenge, as the administration’s draft economic analysis showed that its [economic costs would outweigh its benefits](#). A draft of the rule sent to the White House in January calculated that the new rules would lower the prices of new cars by about \$1,000 as claimed, but would increase

consumers' fuel costs by \$1,400. The total cost to the American economy, according to the administration's own analysis: between \$13 billion and \$22 billion.

If the rule change does survive legal challenges, it will move the US from having one of the strongest fuel economy standards in the world to having one of the weakest, putting the country out of step with the global auto market—the EU, China, India, Japan and South Korea all have stronger standards. It's not hard to imagine this posing a long-term headwind for US automakers and suppliers. As the rest of the world develops innovative technologies to increase efficiency and reduce air pollution, American automakers will be encouraged to focus on gas guzzlers.

Automakers are split over the issue. Four companies—Ford, Honda, VW and BMW—[struck a deal with California](#) to abide by standards more stringent than those of the federal government. Three others—GM, Toyota and Fiat Chrysler—have [sided with the Trump administration](#). In response, the state of California, along with several cities, has said it will [no longer buy vehicles from the three companies](#).

Most carmakers would probably welcome more lax regulation, but they also crave stability and a level playing field. “The auto industry has consistently called for year-over-year increases in fuel efficiency,” said John Bozzella, President of the Alliance for Automotive Innovation, an industry lobbying group. “We need a policy environment that drives improvements in fuel economy, and the infrastructure that supports a transformation to net-zero emissions.”

Upon Trump's election in 2016, automakers were [eager to see the standards watered down](#), but there's a sense in the industry that the radical rollback the administration has delivered is [more than they bargained for](#) (or perhaps they were simply surprised at the strength of the support for the previous standards). “One thing we've learned from the Trump administration is be careful what you ask for,” said David Victor, Director of the Laboratory on International Law and Regulation at the University of California, San Diego. “The auto industry wanted a smoother glide path to a more efficient future. Instead what they got was the populist politics of the far right, which is blowing up in their faces.”

Consumer advocates don't seem convinced by the administration's argument for gutting the standards. “At a time when many Americans are going without a paycheck, it's unconscionable to approve a plan that will have consumers paying more for gas for years to come,” said David Friedman, VP of Advocacy at [Consumer Reports](#). “The rollback of these consumer protections was a bad idea when it was proposed two years ago. Finalizing it now, as we are on the brink of a recession, ignores the long-term financial hardships this moment will have on millions of Americans.”

The nonprofit sustainability organization Ceres analyzed the financial effects of the relaxed standards, and estimated that suppliers would lose \$20 billion between 2021 and 2025 in sales of fuel efficiency technologies. The evisceration of emissions standards will “undermine the ability of the US auto industry to recover from economic turmoil and

compete in a clean vehicle future,” said Carol Lee Rawn, Senior Director of Transportation at Ceres.

“We have long invested in the auto equipment supply industry, which employs roughly two and a half times the number of Americans that auto manufacturers themselves do,” said Ken Locklin, Director of Impax Asset Management. “These suppliers make the technologies that make cars more fuel-efficient and we have seen them thrive under the current strong standards. Changing the rules now will put this important American economic sector at a global disadvantage, and drastically slow the pace of investment and innovation.”

Health advocacy groups? Also opposed. “There will be more pollution associated with oil extraction, transport, refining—all the way from the well to the pump,” said Paul Billings, Senior VP of the American Lung Association. “This will mean high levels of smog, more coughing, wheezing, shortness of breath, asthma attacks, COPD exacerbations, and more particulate pollution.”

Miles Keogh, Executive Director of the National Association of Clean Air Agencies, called the timing of the rule change “appalling.” He said, “We know coronavirus preys on people with respiratory problems, and this dirty air rule will make more Americans vulnerable.”

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So, who’s in favor of the watered-down rules? The oil industry. The lower fuel-efficiency standard “is the single most important thing that the administration can do to fulfill President Trump’s campaign promise of reforming the regulatory state, and to undo the impact that the previous administration has had on the economy,” said Thomas J. Pyle, President of the Institute for Energy Research, a pro-fossil fuel advocacy group.

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