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Hyperdrive

GM Pulls Support From Trump Attack on California Auto Power

By Ryan Beene and Jennifer A Dlouhy

• CEO Barra says company in sync with Biden's electric car goals

Reversal is latest twist in battle that fractured industry

<u>General Motors Co.</u> will withdraw from the legal battle between the Trump administration and California officials over the state's authority to set automobile emissions rules, a major shift in a contentious fight that has fractured the industry.

The decision is a significant reversal by the largest U.S. automaker after it supported the Trump administration's legal defense of a 2019 federal rule revoking California's authority to set tougher tailpipe greenhouse gas requirements than the federal government. GM Chief Executive Officer Mary Barra said in a letter to environmental groups Monday that the company's goal of speeding adoption of electric vehicles is aligned with President-elect Joe Biden's support of cleaner cars.

"We believe the ambitious electrification goals of the President-elect, California, and General Motors are aligned to address climate change by drastically reducing automobile emissions," Barra said in the letter. "To better foster the necessary dialogue, we are immediately withdrawing from the preemption litigation and inviting other automakers to join us."

GM's move reflects the shift in Washington, with the incoming Biden administration expected to restore California's waiver and bolster auto emissions standards after they were largely dismantled under President Donald Trump. Biden has <u>promised</u> to develop "rigorous new fuel economy standards aimed at ensuring 100% of new sales for light- and medium-duty vehicles will be electrified."

Biden praised GM's decision to collaborate on the issue, saying in an emailed statement the move "demonstrates a promising path forward for how industry, labor, government and environmental organizations can

come together to tackle big problems and make vital progress on behalf of the American people."

"In addition to advancing our ambitious climate goals, this decision will have a positive ripple effect as our nation strives to outcompete our global competitors, create good-paying union jobs here at home and reclaim our place as leaders in innovation and manufacturing," Biden said.

Standards Showdown

In September 2019, California <u>challenged</u> an assertion by Trump's Transportation Department that its authority to set fuel-economy standards preempts the state's ability to dictate its own, tougher requirements. Environmental groups joined the legal fight. GM along with <u>Fiat Chrysler Automobiles NV</u>, <u>Toyota Motor Corp.</u> and other carmakers had earlier <u>backed</u> the Trump administration's decision to revoke California's ability to set tougher tailpipe greenhouse gas rules than the federal government, a key part of the White House's move to dramatically weaken ambitious fuel efficiency rules enacted by the Obama administration.

Their position contrasted with <u>Ford Motor Co.</u>, <u>Honda Motor Co.</u>, <u>Volkswagen AG</u> and <u>BMW AG</u>, which agreed with California officials to voluntarily exceed the weakened federal rules, bucking Trump's plan and breaking with GM and other competitors that sided with the administration.

Toyota said in a statement Monday that the company has "long supported year-over-year improvements in fuel economy standards" that provide climate and national energy security benefits but it had backed the Trump administration plan "knowing there was a preponderance of other automakers" aligned.

"Given the changing circumstances, we are assessing the situation, but remain committed to our goal of a consistent, unitary set of fuel economy standards applicable in all 50 states," the company said.

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(Updates with comment from Biden in fifth paragraph.)

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