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## **GM** hits reverse on Trump effort to bar California emissions rules

By <u>David Shepardson</u> 4 MIN READ

WASHINGTON (Reuters) - General Motors Co said on Monday it was reversing course and will no longer back the Trump administration's effort to bar California from setting its own emissions rules in an ongoing court fight.

GM Chief Executive Mary Barra said in a letter to environmental groups it was "immediately withdrawing from the preemption litigation and inviting other automakers to join us."

The about-face came as GM sought to work with President-elect Joe Biden, who has made boosting electric vehicles (EVs) a top priority. The Detroit automaker has laid out an ambitious strategy to boost EV sales and last week said it will increase spending on EVs and autonomous vehicles by 35% from previously disclosed plans.

The announcement reflects Corporate America's move to engage quickly with the incoming Democratic administration.

Barra said she believes "the ambitious electrification goals of the president-elect, California, and General Motors are aligned, to address climate change by drastically reducing automobile emissions."

The White House and Justice Department declined to comment. Environmental Protection Agency spokesman James Hewitt said of GM's announcement, "it's always interesting to see the changing positions of U.S. corporations."

In October 2019, GM joined Toyota Motor Corp, Fiat Chrysler Automobiles NV and other automakers in backing the Trump administration in its bid to bar California from setting its own fuel-efficiency rules or zero-emission requirements for vehicles.

California and 22 other states and environmental groups challenged the Trump administration's determination that federal law bars California from setting stiff tailpipe emission standards and zero-emission vehicle mandates.

Barra was among corporate and labor leaders who met virtually last week with Biden.

Speaking on Monday, Barra said she was "confident that the Biden Administration, California, and the U.S. auto industry, which supports 10.3 million jobs, can collaboratively find the pathway that will deliver an all-electric future."

Biden said in a statement: "GM's decision reinforces how shortsighted the Trump Administration's efforts to erode American ingenuity and America's defenses against the climate threat truly are." The Trump administration in March finalized a rollback of fuelefficiency standards to require 1.5% annual increases in efficiency through 2026, well below the 5% yearly boosts in Obama administration rules it discarded.

Other automakers, such as Ford Motor Co, Honda Motor Co and Volkswagen AG, which announced a deal with California in 2019 on emissions requirements that was finalized in August, did not intervene on the administration's side in the California fight.

GM's announcement on Monday that it was withdrawing from the lawsuit caught off-guard automakers that had joined with GM in backing Trump, as they only learned of the decision minutes before the company made it public.

Toyota said on Monday that "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."

Other automakers backing the Trump administration include Hyundai Motor Co, Mazda, Nissan Motor Co, Kia Motors Corp and Subaru Co.

GM had drawn the ire of many California officials and environmental groups.

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In September, California Governor Gavin Newsom said the state planned to ban the sale of new gasoline-powered passenger cars and trucks starting in 2035 in a bold move to reduce greenhouse gas emissions. California is the largest U.S. auto market, accounting for about 11% of all U.S. vehicle sales, and many states choose to adopt its green vehicle mandates.

Reporting by David Shepardson in Washington; Editing by Tom Brown and Matthew Lewis *Our Standards: The Thomson Reuters Trust Principles.* 

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