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Environmentalists once agreed with Biden on car emission standards. Now they don't

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For once, major American automakers and the president are aligned on how much they should be required to limit greenhouse gas emissions from their vehicles.

But as climate change worsens to the point of international scientists calling it a "code red for humanity," some of the country's leading environmental organizations are pushing the administration to go further.

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President Joe Biden has set the goal of reaching net-zero emissions economy-wide by 2050. Many environmental advocates argue that to reach that goal, the last gas- and diesel-powered cars must be sold by 2030 because vehicles stay on the road around 20 years.

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The public's opportunity to weigh in on the rules ends Monday, when full-throated comments on the administration's proposed rules are expected to pour in to the federal register. But groups offered a sneak peek over a two-day period in late August, when a majority of commenters urged the administration to implement the most stringent rules possible.

"I certainly think there's an opportunity for the proposal to change" as a result of those comments, said Dave Cooke, a senior vehicles analyst in the Clean Transportation Program at the Union of Concerned Scientists.

"We're going to continue pushing for the stronger alternative."

Moving targets

In 2010, President Barack Obama implemented new rules to cut emissions from transportation by 5% annually through model year 2025. Toward the end of his presidency in 2020, Donald Trump finalized a rule that rolled back those standards to a 1.5% annual emissions reduction, arguing it would reduce vehicle costs for manufacturers and consumers.

When he came into office, Biden promised to once again change those standards to make them more stringent. Environmentalists saw the Biden presidency as an opportunity to make big strides in slowing climate change while automakers signaled they were ready for greater emissions reductions anyway, with big investments in electric vehicles and, for some, a deal struck with California to meet more stringent standards.

In early August, the administration released a proposal that would eventually exceed the Obama standards, but not right away.

Under EPA's proposed rule, emissions reductions would be required to jump 10% in model year 2023, according to the EPA. Then it would resume the Obama-era pattern of reducing emissions by 5% annually through model year 2026. The administration plans to revisit the rules after that to potentially make them even more stringent.

The EPA says the rule regulators landed on strikes the balance of significantly reducing emissions while proving "technologically feasible ... at reasonable cost" to automakers.
"We are at a pivotal moment in the history of the light-duty transportation sector — a shift to zero-emission vehicle technologies is already underway, and it presents a strong potential for dramatic reductions in GHG and criteria pollutant emissions over the longer term," EPA said in the proposal.

But EPA also proposed two alternatives to its rule and asked the public what they thought: A less stringent alternative that would hew closer to the 2.5% annual emissions reductions of a deal struck between the state of California and several automakers, and a more stringent one that would return immediately to Obama-era standards for model year 2023 and extend into model year 2026.

**Climate fears**

Most environmentalists are strongly pushing for the administration to go as far as possible by adopting the second alternative plus an additional 10 grams per mile emissions reduction.

They're also asking EPA to eliminate additional incentives for automakers to help them comply with the rules, arguing they will only allow the companies to continue selling profit-driving gas- and diesel-powered vehicles for years to come. Automakers would be allowed to carry forward credits generated over the last four years, get additional credits for EVs and other "advanced technology," get credits for hybrids or electric full-size pickups and get more credits for "off-cycle" improvements to efficiency.

"We don't want to see loopholes that give automakers extra credit for electric vehicles," said Katherine García, acting director of the Sierra Club's Clean Transportation for All campaign.

Those incentives were designed under Obama to help automakers transition to EVs, she and others said. But now that major automakers have poured billions into electrified technology and the Detroit Three have said they aim to sell 40-50% EVs by the end of the decade, that may no longer be necessary.

"There is a way to meet our climate goals and ensure that we have vehicles produced in the United States, and the answer is clean zero-emission vehicles," García said. "This regulation will help us get there — if it's a strong regulation, it'll help us get there as quickly as we need to."

Environmentalists also argue that the off-cycle credit program has been abused to reward automakers for technology that doesn't make as big of an impact on emissions reductions or are hard to measure, such as thermal controls inside the car cabin.

"It turns out a lot of manufacturers have basically been checking the boxes, saying 'yes, my technology qualifies,'" Cooke said. EPA acknowledges in the proposal that the current program doesn't adequately test the claims and says it will change those definitions.

"So that's really concerning for us. There's a lot of data that says this off-cycle credit program is already resulting in undue credits for manufacturers," he said. "And in addition to that, EPA is proposing to increase the amount of credits that can be earned in the system."
Most automakers have not been meeting federal standards or earning net greenhouse gas credits in recent years. In the most recently available EPA report on model year 2019, only five automakers met the standards, and the Detroit Three weren't among them.

Automakers instead rely on those additional credits and credit-trading systems to comply. That's of particular importance to Tesla Inc., the automaker that regularly rakes in credits and makes a business of selling them to competitors. The company has been pushing federal regulators to increase civil penalties for automakers who fail to comply.

Adding credits to the systems would only continue this trend by equipping automakers with the credits they need to buy more time and avoid compliance, multiple environmental groups argued.

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Car companies note that they may be investing big in electric vehicles, but it's no sure bet — EVs only make up around 2% of new car sales, and while EV sales are expected to skyrocket in coming years, their 40-50% sales goals by 2030 still seem ambitious to many in the industry.

"A significant amount of new technology electrifying vehicles will be required to meet those standards," said John Bozzella, CEO of the Alliance for Automotive Innovation, an advocacy group representing most automakers selling vehicles in the U.S. "So it's really important that the rule has the tools to encourage and accelerate that technology shift."

The Alliance testified before EPA that it supports the rule — a big change from the more adversarial relationship between automakers and the administration as Obama was crafting emissions standards a decade ago. But carmakers still say the industry needs government help to achieve what's being demanded as it ramps up to a more electrified fleet.

"At the same time (as we invest in electrification), we need to ensure that the gasoline-powered vehicles that we continue to produce are also more efficient and produce fewer emissions than the vehicles that they replaced," Bozzella said.

"We need to be able to do both, and a balanced rule will encourage us to do both. That's really what we're talking about."