Environmentalists Seek Interim Auto GHG Rules Stricter Than California's

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Environmentalists are ramping up their advocacy in support of near-term federal greenhouse gas rules that are stricter than those contained in the deal between California and several automakers, drafting a letter to be sent as soon as Feb. 25 to President Joe Biden urging stronger action as part of efforts to decarbonize the vehicle sector.

The environmental community is "trying to figure out how best to articulate concerns" over the California agreement, says one source.

The effort comes amid persistent talk that the California deal, which sets standards out to model year 2026, could be a "framework" for the Biden administration's rewrite of vehicle GHG standards, including prior California statements and a more recent auto industry statement some view as seeking a program stringency no stricter than the voluntary industry-state deal.

"We don't know what is going to happen, but we are concerned that what might happen is that the California deal is going to be the national deal," says one environmentalist, who notes that groups have been mulling how to engage on the issue.

Dan Becker, Safe Climate Transport Campaign Director for the Center of Biological Diversity (CBD) tells *Inside EPA* that the possibility Biden could back the California rule is being flagged as a concern at this point because the administration's position is unclear, though automakers are strongly pushing the president to adopt the California agreement as an interim requirement they say can then be ramped up in stringency for MY2027 and beyond.

California negotiated the agreement with five automakers -- Ford, Honda, BMW, Volkswagen and Volvo -- in response to the Trump administration's effort to freeze the vehicle GHG program from MY2021-26.

The competing advocacy comes as administration officials are working to comply with provisions in Biden's Jan. 20 executive order (EO), which set a preliminary deadline of no later than July 2021 for a proposal to revise or rescind the Trump administration's rollback of Obama-era vehicle standards issued jointly by EPA and the National Highway Traffic Safety Administration.

The EO also set an April 2021 deadline for revisiting a separate Trump administration rule attacking state vehicle emissions programs.

The auto industry's push to use the voluntary deal as a near-term federal model triggered early talk of a potential two-track Biden rulemaking effort beginning with issuance of near-term federal standards followed by longer term federal electrification strategies, amid questions about what additional steps Biden will announce before the EO deadlines for federal and state vehicle program efforts.

But observers, including former California Air Resources Board (CARB) chief <u>Mary Nichols</u>, have long suggested the California deal could be a "template to work from" for near-term federal vehicle emissions requirements even as the Biden administration pursues longer term regulatory and incentive- based strategies to achieve more ambitious GHG cuts through vehicle electrification.

And Senate Environment & Public Works Committee Chairman Tom Carper (D-DE) in recent <u>written questions</u> to Biden EPA pick Michael Regan, following his Feb. 3 confirmation hearing, similarly reiterated his view the deal could be a "logical starting point" for negotiations on near term requirements.

He asked for Regan's thoughts on the "collaborative approach with automaker support."

Regan in a written response was non-committal, saying he will work with EPA, states, the industry and others "to consider a range of views, including the California approach, on how to set ambitious light-duty standards."

Pale Substitute

However, environmentalists have long viewed the California agreement as a pale substitute for the Obama administration's original vehicle GHGs rules, which were finalized in 2012 and required a roughly 4.7 percent year-over-year improvement in vehicles.

That compares to a top line 3.7 percent figure for the California deal that also includes additional qualifiers.

And some observers are interpreting <u>a recent auto trade group statement</u> calling for federal program stringency "midway" between current requirements and the Obama rules -- as seeking to prevent federal rules stronger -- or maybe even as strong as -- that agreement. The statement's reference to limits "midway" between the two approaches appears to echo estimates that the stringency of the California deal falls roughly midway between the current program and Obama requirements.

CBD's Becker says the California agreement's mandate is less than the often-quoted 3.7 percent annual improvement -- more like 2.5 or 2.7 percent once two factors are taken into account, specifically credits for electric vehicles and an assumption of zero upstream emissions from EV charging.

Becker adds that the agreement is arguably even weaker than the latter figures suggest in its real-world requirements -- given large numbers of banked credits from automakers cited in EPA's trends report -- meaning companies would not have to make "significant" new efforts to comply through MY2026. Auto companies are definitely hustling to try to get the weakest possible standard they can find, and "California is it," he claims.

Groups including CBD, the Union of Concerned Scientists (UCS) and others are now drafting the letter they plan to send to Biden as soon as Feb. 25, according to Becker.

A UCS spokeswoman cites analysis in progress by the group that will elaborate on how the California agreement is only "about halfway between the Trump and Obama standards."

Even defenders of the original Obama administration requirements have said that the Trump administration's rollback -- and lead-time requirements for changes to the standards -- complicate near term changes.

Becker, however, says the original Obama-Biden rule the auto companies agreed to a decade ago is "much stronger" than the compromise and says it is possible to achieve even more with enough lead-time requirements.

"There has to be substantial progress no matter what happens."

'Target Of Vitriol'

Becker adds that the Biden administration should be suspicious of automakers being so gung-ho about meeting a California requirement, which is built around credits. . . . I'm sure Mr. Biden doesn't know that."

And he argues that automakers' new-found love for a California standard is ironic because CARB has been "the target of vitriol" from the industry for decades for allegedly imposing impossibly difficult standards, "and now all of a sudden the auto industry is touting the CARB standard as the paradigm of virtue."

Given the circumstances when the deal was cut, with the state being targeted by the Trump administration trying to take away its Clean Air Act authority to set tougher vehicle rules than the federal government, "I can understand why the people at CARB thought it was the best thing possible at the time," Becker says. "But times have changed. That is no longer the best possible deal and it isn't want the climate needs. President Biden needs to order really strong standards, not the weakest standard the autos are pushing."

He warns that any delay in an aggressive standard is subject to being rolled back by a future Republican administration.

However, Biden is also likely to face union pushback against moving too aggressively on electrifying the fleet, with one observer citing United Auto Workers (UAW) concern expressed at the Feb. 11 <u>inaugural meeting of the National Climate Task Force</u> attended by the heads of 21 federal agencies, according to an industry source.

UAW warned that Biden's 2050 target to fully electrify the sector would harm workforce stability, the source says.

On vehicle rules, the administration will be walking a "tightrope, with unions a moderating force," the source says. - Dawn Reeves (dreeves@iwpnews.com) & Doug Obey (dobey@iwpnews.com)

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