## Bloomberg

## California Seeks White House Meeting on Auto Mileage Revamp

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Automakers, CARB 'mostly' agree rollback not needed: Nichols

U.S. proposals to roll back Obama-era rules under OMB review

California air-pollution regulators want to meet with Trump administration officials over plans to ease federal auto efficiency standards, saying in a letter to the White House that efforts to undermine the state's authority would run afoul of the law.

The White House's Office of Management and Budget is reviewing <u>Environmental Protection Agency</u> and <u>National Highway Traffic Safety Administration</u> proposals to weaken auto efficiency standards. The proposals call for <u>revoking California</u>'s authority to set its own limits on vehicle emissions, people familiar with the matter have said.

"Such arguments are contrary to law, as has been confirmed by two federal courts and decades of agency practice," Steven Cliff, deputy executive officer of the California Air Resources Board, wrote in a June 5 letter to Neomi Rao, administrator of OMB's Office of Information and Regulatory Affairs.

CARB is concerned that enacting the plans "will result in significant harm to public health and the environment, as well as years of litigation and uncertainty for regulated industry and the public," according to the letter.

The entreaty came as Air Resources Board Chairman Mary Nichols emphasized that a Trump-led rollback and attack on the California's clean-air authorities would defy not only the state's wishes but also those of carmakers.

"We are now, I think it is fair to say, in a confusing situation," Nichols said Tuesday at the <u>Edison Electric Institute</u> convention in San Diego. "Maybe in the first time in recorded history, California and the auto industry are mostly in agreement that standards on the books actually should be on the books, and California should have a place in implementing those standards."

Automakers fought tooth and nail to block California from regulating tailpipe greenhouse gas emissions during the Bush administration, but failed. In 2009, the EPA issued California a Clean Air Act waiver to set state tailpipe rules in excess of federal standards, though the state agreed to align its rules with vehicle efficiency standards in Washington to create nationwide consistency.

The EPA proposal under review by OMB seeks to rescind California's waiver, according to a person familiar with the matter. The revocation is contained in a joint proposal with NHTSA aimed at rolling back a signature Obama-era environmental regulation to slash carbon dioxide emissions.

California announced last year that, after reviewing the Obama tailpipe emissions standards for 2025, it saw no reason to change them. And the state has no plans to change them now, even if Trump rolls them back elsewhere in the country, Air Resources Board members have said.

Automakers now worry that a move to gut the standards and attack California's regulatory powers may trigger years of legal battles and uncertainty. They've <u>urged</u> California and Trump administration officials to reach a deal that would adjust the standards in light of high light-truck sales and low fuel prices while still requiring annual mileage improvements.

In the letter, Cliff said that while CARB has participated in several meetings with Trump administration officials about the rules, "we have not been given any specific proposals to respond to, and so remain concerned that the agencies are departing from the evidence and the law, as well as our historic partnership."

— With assistance by John Lippert