

# State and Federal Clean Cars Standards

**GOOD FOR CONSUMERS, THE ECONOMY, OUR HEALTH, OUR CLIMATE**

















## STATE CLEAN CARS LEADERSHIP PROTECTS PUBLIC HEALTH, BOOSTS LOCAL ECONOMIES

Since cars first hit America's roads, the federal government has relied on states to regulate vehicle emissions, which for decades were creating some of the dirtiest air in the world, severely impacting public health and states' economies.

In 1970, with the passage of the Clean Air Act (CAA), Congress directed the federal government to begin regulating motor vehicle emissions alongside California, which was home to the nation's most deadly air pollution problems and had the longest history of setting its own motor vehicle standards. In recognition that states needed the freedom and ability to protect the public health of their own citizens, Congress used Section 177 of the CAA to explicitly grant states the right to either follow federal standards, or follow the standards set by California, which are stricter than federal standards.

Thirteen states—representing more than one-third of the new car market—decided to follow California's more stringent standards. And in 2012, the federal government announced that California, federal agencies and automakers had agreed to adopt the National Program: nation-wide vehicle emissions standards that incorporated most of California's more stringent standards.

Now, however, the Trump administration is threatening to renege on that deal and roll back the National Program, despite overwhelming evidence that it is working effectively and should, if anything, be strengthened.

 CA	 CT	 DC	 DE	 MA
 MD	 ME	 NJ	 NY	 OR
 PA	 RI	 VT	 WA	

**13 STATES PLUS DC FOLLOW THE STANDARDS SET BY CALIFORNIA AIR RESOURCES BOARD (CARB)**

<b>113 MILLION</b> AMERICANS	<b>35%</b> OF THE U.S. AUTO MARKET	<b>35%</b> OF THE U.S. POPULATION
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For decades, clean car states have implemented programs to address air pollution, while reducing health care costs and boosting their local economies.

## TRUMP ADMINISTRATION THREATENS PUBLIC HEALTH, ECONOMY AND PUTS STATES' RIGHTS AT RISK

Thanks to California and the Section 177 states' pioneering leadership, we now have a strong national vehicle emissions program that benefits the entire U.S. population. The auto industry has also benefited: sales and profits roared back after the passage of the standards, setting all-time high sales records in 2015 and 2016.

But in August 2017, the Trump administration rescinded the U.S. EPA's Final Determination and re-opened the Midterm Evaluation of the federal emissions standards, threatening to significantly roll back the program.

## THE EPA NEEDS TO HEAR FROM YOU

Clean car states must stand united against potential attacks on national standards or state authority from the EPA or from Congress, or the White House.

### ► October 5th

EPA closes its 45-day comment period for the Midterm Evaluation

Comments may be submitted at [www.regulations.gov](http://www.regulations.gov) to Docket EPA-HQ-OAR-2015-0827

### ► April 1st 2018

EPA must make reissue its final determination for national emissions standards by this date

## ROLLING BACK THE NATIONAL STANDARD WOULD...

### Hurt hard-hit, hardworking Americans the most

- Standards protect American families, businesses and institutions against gasoline price volatility. The standards will save drivers between \$3,200 and \$5,700 over the life of a new car by 2025.<sup>1</sup>
- If the standards are rolled back, hard-earned dollars will be sent to out-of-state and international oil interests, sucking important consumer dollars, the biggest economic driver, out of local economies.

### Jeopardize states' rights

A rollback of the federal standards could put the National Program at odds with clean cars states' vehicle emissions targets and lead to a challenge on the states' rights to set such standards:

- Congress could amend the Clean Air Act to change or eliminate the provision that allows states to set stronger standards than the federal government – OR – the U.S. EPA, in an unprecedented move, could attempt to roll back current or future waivers that allow California and other states to enact their own clean cars programs.
- Without states' rights, Americans could still be stuck in dirty cars using leaded gasoline. We might not have catalytic converters or any of the numerous important technological advances that were brought about directly as a result of strong state leadership.

### Undermine clean car states' economies and competitiveness

- The 13 clean car states and D.C. have some of the most vibrant economies in the nation and the world. Attempts to weaken in-state programs would kill jobs and reduce the autonomy of local economies.
- The standards spur demand for advanced technology, and by 2030, are expected to create an estimated 650,000 jobs throughout the U.S., including 50,000 in light-duty vehicle manufacturing jobs.<sup>2</sup>
- States that want to keep their economies strong must continue to develop clean car technology as the global market shifts. Without strong standards, the U.S. will cede global economic leadership to other nations such as China, Europe or India, where plans are in place to limit or ban gas-powered vehicles in coming decades.

## CLEAN CARS STANDARDS BOLSTER STATE ECONOMIES AND GROW JOBS

**Clean cars rules have been an integral part of the automotive sector recovery, spurring investment in innovation in the U.S. auto parts supply chain. More than 1,200 facilities in 48 states make components and materials that reduce emissions and improve fuel economy, according to BlueGreen Alliance analysis.**

- There are nine states with 10,000 or more workers building clean, fuel-efficient vehicle technology, with the top five states supporting nearly 160,000 manufacturing jobs.
- Sustaining this innovation and investment is key to securing today's jobs and creating new ones.

**Since the 2008–2009 recession, the auto industry has added nearly 700,000 retail and manufacturing jobs, while simultaneously meeting steadily tightening emissions and fuel economy standards and capturing the market benefits of new leadership in innovation.**

**ICCT analysis examining consumer cost/benefit ratios, lifetime fuel savings and payback periods for vehicles model years 2021–2025 found tremendous value for American consumers.**

- Under current standards, buyers of model year 2025 vehicles will fully recoup their investment in the 3rd year of ownership for a cash purchase.
- Those who finance their vehicles will see a net positive cash flow starting immediately.

<sup>1</sup> Fuel Savings: Higher Fuel Economy Standards Result in Big Savings for Consumers, Consumer's Union. 2016. Accessed 2/10/17: <http://consumersunion.org/wp-content/uploads/2016/09/Fueling-Savings-Consumer-Savings-from-CAFE-2025.pdf>

<sup>2</sup> Union of Concerned Scientists (UCS). 2016. Fuel economy and emissions standards for cars and trucks, Model Years 2017 to 2025. Online at [www.ucsusa.org/sites/default/files/attach/2016/06/Fuel-Economy-Standards-2017-2025-summary.pdf](http://www.ucsusa.org/sites/default/files/attach/2016/06/Fuel-Economy-Standards-2017-2025-summary.pdf), accessed September 6, 2016.

## CLEAN CARS STANDARDS DELIVER CONSUMER SAVINGS

A recent analysis by Consumers Union, the policy arm of Consumer Reports, found that, under the 2025 standards, consumers would benefit from net savings of \$3,200 per car and \$5,700 per truck at today's low gas prices. Any time that gas prices rise again, net savings would be even higher: \$5,600 per car and \$7,300 per truck.

**So it's no wonder polls consistently finds that fuel economy standards enjoy majority bi-partisan support, even among Trump supporters.**

### A recent poll by Consumers Union found:

- **87%** of those surveyed **agree** automakers should continue to improve fuel economy.
- **73%** **agree** government should be setting higher standards for vehicle efficiency.
- **79%** **agree** it is important to make larger vehicles, including SUVs and trucks, more efficient.
- **79%** **agree** that increasing fuel economy from a real-world average of 25 MPG today to 40 MPG in 2025 is a worthwhile goal.
- **Less than a third** of consumers (30%) **agree** automakers care about lowering fuel costs for their customers.
- **In fact, owners of all vehicle types (small, midsize, large, and pick-up truck) identified fuel economy as the number one attribute that needed improvement.**

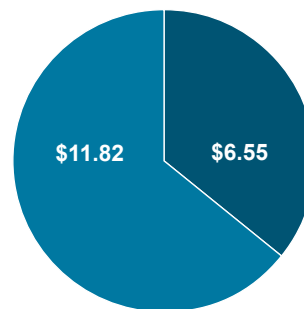
## CLEAN CARS STANDARDS REDUCE CARBON POLLUTION AND IMPROVE PUBLIC HEALTH

Transportation is responsible for 30 percent of the nation's carbon pollution, and in many states that number is higher. Transportation is also responsible for a significant percentage of air pollution that harms public health and local and state economies across the country. Federal and state clean cars standards clean the air and help to mitigate climate change.

States that are regulating carbon pollution, including California and nearly all of the clean cars states, are relying on emissions reductions from vehicles to help meet their carbon pollution reduction targets. If vehicle emissions reduction efforts stall, these states would have to further reduce emissions from power plants and other stationary sources to compensate—a move that could prove costly to utilities and other large employers.

A 2016 study from the American Lung Association found that auto pollution in ten U.S. states resulted in \$37 billion in health and climate costs. The report, Clean Air Futures, found that on average, every tank of gas costs \$18.42 in hidden health and climate costs. Those costs include:

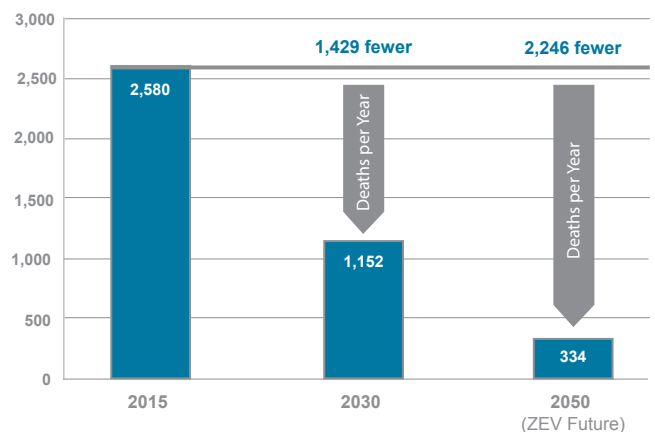
- Asthma attacks
- Lost work days
- ER visits and hospitalizations
- Premature deaths
- Climate damage caused by emissions



**\$18.42 in health and climate impacts per 16-gallon tank of gas in 2015**

HEALTH  
CLIMATE

### Premature deaths due to vehicle pollution



### National security crisis spurs creation of national standards

In 1970, Congress consolidated emissions control for stationary and mobile sources in the newly created Environmental Protection Agency (EPA) under the Nixon administration.

In response to the Arab oil embargo, which squeezed supply and spiked gas prices, Congress set the first National Corporate Average Fuel Economy (CAFE) standard (1975) to reduce U.S. oil dependence and increase national security by improving vehicle fuel efficiency. Congress vested the authority for these standards in the National Highway Traffic Safety Administration under the U.S. Dept. of Transportation, and required the average fuel economy of passenger vehicles and light-duty trucks to achieve 27.5 miles per gallon (mpg) by 1985.

In 2007, as oil prices surged to all-time highs, Congress passed and President George W. Bush signed the Energy Independence and Security Act (EISA), which increased fuel economy standards for passenger vehicles and light trucks to 35 mpg by 2020—the first increase in more than 20 years.

In 2010, in order to coordinate federal emissions and fuel economy standard-setting, the EPA and NHTSA established a National Program that aligned EPA's first-ever national greenhouse gas (GHG) emissions standard and NHTSA's CAFE standard to meet the EISA mandate, and again increased the standards for 2030 to 54.5 mpg.

### Auto industry bailout leads to coordinated efforts to protect consumers

Because fuel economy standards had not been substantially raised in over two decades, domestic automakers had failed to improve the gas mileage of their fleets, which were dominated by fuel inefficient SUVs and pickup trucks. As gas prices continued to soar, consumers fled to more fuel-efficient choices offered by foreign automakers, and domestic automaker sales plummeted. On the verge of bankruptcy, two of the "Big Three" U.S. automakers (GM and Chrysler) requested emergency loans, prompting the U.S. and Canadian governments to provide unprecedented financial bailouts (\$85 billion).

In the wake of this taxpayer bailout, the automakers worked with the EPA, NHTSA and California to develop a joint program for model years 2017-2025. The result was the National Program, a single national standard, which California deemed sufficient to meet its unique need to cut vehicle emissions to protect consumers and the economy.

This 2011 joint agreement created flexible standards by ensuring reduced emissions and improved vehicle fuel economy as a side-benefit across the entire vehicle fleet while allowing for different standards for different vehicle sizes. This protects consumer choice by ensuring all buyers will benefit, whether they purchase a truck, SUV or compact. At the same time, automakers can sell only SUVs and trucks and still be in compliance, despite these vehicles having a much lower standard than mid-size or compact vehicles.

California and the clean car states agreed these joint standards are sufficient to protect against pollution, but retained their authority to adopt stronger standards if needed.

### Midterm Evaluation finds standards delivering economic, consumer benefits

As part of the 2011 joint agreement, automakers insisted on a Midterm Evaluation to assess the state of technology and market progress, and to evaluate standards impacting model years 2022-2025. After two years of extensive research and input from stakeholders, including the automakers, a Draft Technical Assessment Report (TAR) was issued jointly by EPA, NHTSA and CARB in June 2016, followed by a public comment period.

The TAR found that the automakers were meeting the standards faster and more economically than the agencies had projected. In November 2016, the EPA issued a Proposed Determination, followed by a 30-day comment period. In January 2017, the EPA made a Final Determination affirming that the national emissions standards are:

- ✓ *Providing benefits to consumers*
- ✓ *Cost-effective for the industry*
- ✓ *Technologically feasible*

In March 2017, CARB finalized its own Midterm Review that similarly upheld the standards for California's existing program.

State leadership on clean cars continues to be needed to ensure that vast economic, consumer, health and climate benefits can continue.

For more information, please visit: [www.calcleancars.org](http://www.calcleancars.org).