

## California State Senate

STATE CAPITOL SACRAMENTO, CALIFORNIA 95814

April 6, 2018

Scott Pruitt, Administrator US Environmental Protection Agency 1200 Pennsylvania Ave NW Washington, D.C., Virginia 20460

Elaine Chao, Secretary US Department of Transportation 1200 New Jersey Ave SE Washington, DC 20590

RE: Proposed Rollback of Clean Car and Corporate Average Fuel Economy (CAFE) Standards

Dear Administrator and Madame Secretary:

We write to express our strong opposition to the proposals made public this week to roll back the federal Clean Car and Corporate Average Fuel Economy (CAFE) standards currently in effect and adopted under the prior administration as part of securing the financial solvency of the major automotive companies back in the year 2011. We also have several questions on how the Administration reached this decision.

The rollback of these standards makes no sense, environmentally or economically. The weakening of these standards will endanger public health, cost billions more to taxpayers in the form of increased incidences of asthma, cardio-pulmonary problems and other diseases. It will accelerate and exacerbate global climate change and the severe impacts such as fires, flooding, sea level rise, and other impacts.

Equally important, it is wholly unnecessary to weaken these standards, given the fact that the automotive industry is already on a trajectory to achieve the current CAFE standards.

If anything, we should be <u>strengthening</u> these standards, not <u>weakening</u> them. Our car companies are spending billions of dollars in factories and technologies to create more efficiency clean cars. Those investments will be stranded on the balance sheets of the car companies if the US backtracks on the current formula.

More specifically, as the President and CEO of the Automotive Alliance, Mitch Bainwall, publicly stated in an opinion piece in RealClear Politics, "we have invested substantially in energy-efficient technologies that we would like to see consumers embrace." <a href="https://www.realclearpolitics.com/articles/2018/04/03/revisiting\_of\_fuel\_standards\_is\_not\_a\_rollback\_136688.html">https://www.realclearpolitics.com/articles/2018/04/03/revisiting\_of\_fuel\_standards\_is\_not\_a\_rollback\_136688.html</a>

We would like to request responses to the following questions in order to better understand the Administration's rationale for weakening these standards:

- 1. Has the Administration taken into account the massive costs to taxpayers and society associated with the health and climate effects of automotive pollution? The Union of Concerned Scientists has shown that over 150 million Americans suffer from air pollution, imposing billions of dollars in new costs on health care, emergency room visits, lung and heart disease, and premature mortality. This is in addition to the billions of dollars in costs that are being incurred ANNUALLY from climate change, wildland fires, flooding, and sea level rise.
- 2. How does the Administration propose to meet our health based clean air standards as mandated by the Federal Clean Air Act without continuing our current pace to reduce pollution from the transportation sector? The federal Clean Air Act requires regions of the country to achieve and maintain federal ambient air standards. Southern California and the Central Valley are both extreme non-attainment areas for one or more pollutant under the Act. In those areas, transportation sources like cars and trucks are the primary sources of these pollutants. Failure to meet clean car standards means our regions will violate the Act and face economic sanctions like loss of federal highway funds and other penalties.
- 3. What about the costs to jobs, the economy, trade competition, and the industries who are making the investments to move to cleaner cars and technologies? Has the Administration considered those economic effects? The 2011 bailout of the car companies made the financially healthy and secure going forward. But the reason it was necessary to do so was because the industry had failed to change and adapt to the rapidly evolving market for cleaner and more efficient cars. As a result, foreign manufacturers took over the US domestic automotive market and our own American companies became insolvent. Now that we have turned that around and made these companies more competitive, a reversal of clean car and CAFE standards will simply lead manufacturers back into the death spiral for which they had to be bailed out in the first place.

4. Has the Administration taken into account the serious blow this proposed change will have on American Leadership worldwide? This Administration's mantra is "make America Great Again." But its actions in this arena have made America more isolated, more out of touch with the rest of the planet, and less likely to be "great" in a rapidly expanding and deeply competitive world economy. Virtually every other economy in the world is moving to reduce fossil fuel consumption and to increase efficiency in the transportation sector. These proposals to weaken clean car and CAFE standards make the US less competitive and more likely to become a follower and not a leader when it comes to transportation efficiency.

It is no small irony that the origins of California's clean cars program, and the authority to adopt it under the Federal Clean Air Act, was strongly supported by California Republicans like US Senator George Murphy who pushed for those provisions in the federal Act, and by then-President Richard Nixon who signed the Act into law.

The Congressional Record dating from the floor debate on the law quotes Senator Murphy as stating:

"Mr. President, we should not leave the impression that the bill we are enacting today will clean up the air overnight. It will provide a framework for effective action by State and local governments.

The bill rightly gives the State and local governments the opportunity to exercise leadership and to face up to the challenge and responsibility of cleaning up the Nation's air. By combining our resources of government, industry and individuals, I for one am confident that we can clean up the air."

Senator Murphy's statements are as true today as they were at the time of their delivery in the US Senate Chambers.

In closing, we would note for the Administration that California has some of the most ambitious clean energy and transportation policies in the world. At the same time, and as a result of these policies (not in spite of them), California has an economy larger and more productive than almost every other economy in the world. The Administration's proposals will move California, the nation, and the planet backward, not forward.

Sincerely,

Senator Kevin de León

Senator Ricardo Lara

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