

A White House official today

confirmed to <u>Politico</u> that the Administration is considering revoking California's permission (called a "waiver") to set its own greenhouse gas emissions and zero emission standards for cars and light trucks. Rumors are that the waiver revocation could happen as early as tomorrow. The news in this announcement is that the EPA would revoke California's waiver even while keeping in place — for now — the car standards the Obama Administration put in place for model years 2020-2025. Julia explains the ramifications <u>here</u>.

I want to focus on one point in addition to the excellent points Julia made: the best explanation for the move to revoke California's waiver is Trump's hatred of the Golden State and anger at four car companies that have entered into a <u>settlement agreement</u> with California about the standards. Revoking the waiver while leaving the Obama standards in place is driven by spite, not by substance. At least for now, California will not have permission to issue standards. The car companies will instead have to comply with standards that are tougher than the standards California would accept from them — a crazy result from an administration that has made deregulation one of its signature achievements. Spite is the only reasonable explanation for the move.

Since his election, Trump has made clear that he would roll back national greenhouse gas and fuel economy standards that the Obama Administration put in place to cut carbon emissions from the largest U.S. contributor to climate change, the transportation sector. The roll back is complicated by the fact that California has its own authority under the Clean Air Act to issue its own, more stringent emissions cuts. When the Obama Administration issued the national car standards, California agreed that its standards would be identical to the national standards; the state also received a waiver giving it authority to issue those identical standards. That means that if Trump wants to roll back the national standards, it also has to revoke California's permission to keep them in place or leave car manufacturers having to meet two separate standards, the California ones (which 13 other states and the District of Columbia have chosen to follow) and the national ones. The Administration has issued proposed rules to do both things, the rolling back of the

standards and the yanking of the waiver. But the news today is that the Administration would only yank the waiver, at least for now, separating the revocation from the roll back of the standards.

There's a simple explanation for why the Trump Administration isn't rolling back the standards yet: it isn't ready to. As with many of its efforts to weaken virtually every environmental policy the Obama Administration put into place, Trump's EPA and National Highway Transportation and Safety Administration (NHTSA) have done a terrible job with the rule making process (Trump's won-loss record in court on these rollbacks is astonishingly bad). The administrative record for the rollback of the car standards is a mess, full of faulty justifications and math errors that undermine what were already smokescreen rationales for a rule that really has no justification other than giving yet another gift to the oil industry. During the required comment period for the roll back of the standards, economists and environmental groups pointed out how wrong and weak the record was. EPA and NHTSA are required to respond to these comments and presumably realize that the errors are so large that they will lose in court if not corrected. But if they correct the math errors, their justifications – that the roll back will improve safety and save money for consumers — have no backing in the record.

So why revoke California's permission to keep in place the national standards that are already in effect and aren't yet being rolled back? Because California has — after many overtures and stalled attempts to work out a compromise with the Trump Administration — outcrafted Trump and the EPA and NHTSA by making a separate deal with four car companies. The deal loosens the standards slightly and in exchange the car companies agree not to contest California's standards or its power to issue them. The agreement supersedes any attempt by the Trump Administration to roll back the national standards. But that means for now that if the waiver is revoked without a roll back of the standards, we are in the strange position that the national standards in place are stronger than what California and four automakers agreed to. So in order to stick it to California, Trump is keeping in place the policies of his hated predecessor and making auto companies comply with standards tougher than what California would allow car companies to follow.

Here's Trump's tweet storm after the announcement of the California settlement:

"Henry Ford would be very disappointed if he saw his modern-day descendants wanting to build a much more expensive car, that is far less safe and doesn't work as well, because execs don't want to fight California regulators."

Rumored White House Move to Revoke California's Waiver Is Trump's Revenge Against the State | 3

"Car companies should know that when this Administration's alternative is no longer available, California will squeeze them to a point of business ruin. Only reason California is now talking to them is because the Feds are giving a far better alternative, which is much better for consumers!"

But of course the Feds aren't giving car companies "a far better alternative" because the administrative record for the "alternative," the roll back, isn't in good enough shape to issue it as a final rule. And at least for model years that are coming up (2020, 2021 and maybe even 2022) car manufacturers have to follow the standards that are currently in place (the stringent Obama standards) as they make manufacturing decisions well in advance of the release of their model year cars. Again, hardly the move of an administration obsessed with deregulating and overturning virtually everything President Obama did.

It isn't hard to imagine the conversations Administration officials have had with Trump about this conundrum. Wait and roll back the standards and waiver together, or make a move that is directed at California, Governor Gavin Newsom and California Air Resources Board Chair Mary Nichols? Spite against the Golden State and its leaders are the answer.