

January 17, 2019

The Honorable Andrew Wheeler Acting Administrator United States Environmental Protection Agency 1200 Pennsylvania Ave., NW Washington, DC 20460

## Dear Acting Administrator:

The purpose of this letter is to express our opposition to the Administration's recent "Safer Affordable Fuel Efficient Vehicles" proposal — which would freeze fuel efficiency standards that require ongoing improvements to light duty vehicles. This action would willfully unravel an effective, consensus program that has historically convened federal agencies, states, automakers, and stakeholders in the environmental and labor communities, to advance this critical priority for consumers and the environment. In doing so, it would also endeavor to impede states' ability to retain strong standards — a measure that would undermine the spirit of cooperative federalism, which you have described in your previous confirmation hearing as "a cornerstone of the Administration's approach."

The imperative to improve the fuel efficiency of vehicles has historically transcended party lines, driven by the importance of safeguarding our nation's energy security, improving costs at the pump for consumers, and protecting the environment. The standards – which increased over the courses of both the Bush and Obama Administrations – are effective. Fuel efficiency for light duty vehicles is at an all-time high, and their carbon emissions have dropped by 21% compared to 2005 levels.

Moreover, the "One National Program" promulgated under the Obama Administration, which was negotiated with the State of California, automakers, and a range of stakeholders, provided long-range predictability to manufacturers so that they could focus their efforts and investments on innovations that both improve efficiency and create jobs. For example, one recent report on the impact of fuel-efficiency standards, published by Indiana University, showed that innovation investments could increase jobs by between 200,000 and 375,000 in the year 2025, and add between \$138 billion to \$240 billion in GDP between 2017 and 2025. By contrast, finalizing a rule that will rightly be challenged would result in needless uncertainty for an industry that employs 7 million Americans in direct and indirect jobs.

In contrast to the Administration's proposal, calls to achieve a compromise for a continued program of strong, national standards – keeping states at the negotiating table with federal

 $<sup>^{1} \</sup>frac{\text{https://www.epa.gov/sites/production/files/2018-05/documents/1.wheeler-testimony-11.08.2017.pd}{\text{pdf}} + \frac{\text{https://spea.indiana.edu/doc/research/working-groups/auto-report-032017.pdf}}{\text{pdf}} + \frac{\text{https://spea.indiana.edu/doc/research/working-groups/auto-report-032017.pdf}}{\text{pdf}}$ 

agencies – have been widespread and, notably, broadly inclusive of industry stakeholders including carmakers and utilities. The President and CEO of the Alliance of Automobile Manufacturers urged, "the administration and California to work together to both increase fuel economy standards and keep new vehicles affordable to more Americans" stressing the commitment of industry to continue on the path of emissions reductions "because we believe climate change is real, and we have a responsibility to reduce greenhouse gases." Mary Nichols, Chair of the California Air Resources Board- which has unique jurisdiction under the Clean Air Act to establish independent vehicle emissions standards that other states can then adopt- has repeatedly reiterated a willingness to compromise in order to protect a nationwide program, continue progress on reducing emissions, and provide certainty for autocompanies. As Nichols has said, "reason could prevail," and indeed, reason would dictate such a solution.

Even President Trump at one point directed his team to negotiate a resolution with California, though that direction was followed by a proposal from the U.S. Department of Transportation and the Environmental Protection Agency to freeze the program in its footsteps and challenge states' rights – a move that, expectedly, provoked broad opposition, including from 20 states, including Colorado, and a number of cities.<sup>5</sup> These entities will continue to support strong standards even in the absence of federal leadership.<sup>6</sup>

This contentious situation on what should be a consensus issue is unfortunate, unproductive, and still avoidable. The Federal rulemaking has not yet been finalized and there is still an opportunity for reason to prevail. Reaching a resolution on this issue would allow the collective energies of federal agencies, states, manufacturers, and other impacted constituencies to focus their time and energy on constructive efforts, such as building the market for clean cars through focused policy incentives, deploying infrastructure to support electric vehicles, and harnessing the innovation of new technologies- such as connected and autonomous vehicles- to make our transportation system cleaner, safer, and more efficient. These efforts, rather than prolonging disagreement over a solvable regulatory problem, would be time well spent.

We urge you to abandon the Administration's current proposal and instead finalize a rule that continues to improve the efficiency of our cars, with the buy-in of states and other partners across the country.

Sincerely.

Jared Polis

Governor

Michael F. Bennet

United States Senator

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<sup>&</sup>lt;sup>3</sup> https://morningconsult.com/opinions/automakers-addressing-climate-change/;

<sup>4</sup> https://www.bloomberg.com/news/articles/2018-04-10/california-says-a-car-emissions-deal-with-trump-could-bedoable

 $<sup>^{5}\</sup> https://www.nytimes.com/2018/05/11/climate/trump-car-emissions-california.html$ 

<sup>&</sup>lt;sup>6</sup> https://oag.ca.gov/system/files/attachments/press-docs/states-and-cities-comments-cover.pdf