

House Energy and Commerce Committee

Testimony of Mary Nichols, Chair, California Air Resources Board

June 20, 2019

Chair, Ranking Member, Honorable Members of the Committee, thank you for having me. I am Mary Nichols, Chair of the California Air Resources Board.

The federal rollback we just heard about from Mr. Wehrum and Ms. King dispenses with fifty years of clean air progress made by the States and the federal government. It will cost Americans millions more in fuel costs, kill jobs upon which Americans depend, pump smog pollution into the air at special risk to children and the elderly, undermine the auto industry, and worsen the climate crisis. This rollback attacks decades of work and authority in California and thirteen other states to meet federal air quality standards. Many of the experts EPA cites to support the rule agree the proposal has no scientific foundation. Moreover, as a recent letter from seventeen major automakers to President Trump asserts, even the regulated industry has consistently said they support increasing standards and a deal worked out with California, not the Administration's proposal.

California has worked hard to address this challenge with the spirit of innovation we bring to all we do. We have met more than a dozen times with members of this Administration, including at the White House on multiple occasions, to try to come to resolution. We have been open to accommodations that would adjust compliance timing and flexibility, that would create new paths to promote innovative technologies and zero emission vehicles, and that would benefit the public. Each time, the Trump Administration has been unwilling to find a way that works. Their claim that California offered no counter-proposal is false. They unilaterally decided to cut off conversations – an action which the automakers have asked them to reverse.

We have long worked hand in hand with U.S. EPA's experts and engineers. Remember, Congress recognized California's unique role as a vehicle regulator decades ago, and we have been joined by thirteen states covering more than a third of the U.S. vehicle market. California regulators have, with Congress's sanction, developed rules that led to common-place technologies, like the check engine light and the catalytic converter. We are the nation's lab for clearing the air, but now the Administration refuses to look at past results or take Congress's direction, including from you and your colleagues.

Worse, the Administration is proposing to bar California and other states from relying on our standards – even though we and these other states have done so for going on fifty years. Disempowering the states and U.S. EPA experts, the Trump Administration

would instead have the nation's automotive future determined according to junk science, illogical assumptions and outdated technologies.

The proposal is unacceptable, illegal, and has been repudiated by leading experts in a peer-reviewed study in *Science*.ⁱ It is based on vastly inflated estimates of compliance costs inconsistent with the technical record and rejected by both U.S. EPA and NHTSA staff just a few years ago. We remain ready to chart a better course.

If this rollback goes forward, gas costs will increase (by about \$2500 over the life of a car), fuel use will increase by billions of gallons, jobs will be lost (as even the Trump proposal anticipates), and public health will be endangered. The most vulnerable among us are the most at risk. CARB's analysis shows that air pollution will jump in Los Angeles and other polluted parts of the state, and the country.ⁱⁱ So will greenhouse gases.ⁱⁱⁱ The rule will also undermine American competitiveness, create enormous uncertainty for the auto industry, and threaten jobs and investments in clean energy and cleaner cars. We conservatively estimate the net cost of the federal rollback nationally at \$168 billion.^{iv} And that is not counting the more diffuse cost of stalling out progress in the vital auto industry.

Nor does that cost estimate count potentially hundreds of billions of dollars in stalled federally-funded transportation projects. Federal transportation grants must conform to air quality plans -- and right now, that means they depend on continuously cleaner cars to keep new transportation projects from contributing improperly to air pollution. But if the federal government makes cars dirtier, these projects may no longer conform -- causing delays, contract lapses, and lost federal dollars for the infrastructure that moves America's people and goods, and lacking transportation dollars will stymie economic growth and worsen congestion. The Trump Administration did not even address this risk in its proposal.

U.S. EPA's professional staff and California's engineers were cut out of this proposal's development. As the New York Times has reported, the oil industry drove this action, mounting an ongoing disinformation campaign and seeking to coopt the former oil and coal industry lobbyists and lawyers who now work in leadership at the Agency.^v Further, the Administration continues to fail to respond to information requests for the made-up models and analyses underlying the flawed proposal. We actually had to file a lawsuit to try to get the modeling program and data used to support their rule.

The right way forward is to abandon this flawed proposal and come to the table with California, just as automakers representing the majority of the market asked the President just weeks ago. We know we can do better, because we have. As U.S. EPA's own scientists have confirmed, working with NHTSA and CARB staff, the existing program is cost-effective and successful. California and its partners are seeing ever

increasing numbers of cleaner cars. The auto makers are complying with the standards, and the technologies necessary to meet the standards exist today and are cost-effective. The standards in effect today put us on track to clean the air, protect public health, and address climate change. These standards work.

The global auto market is moving in exactly the opposite direction from the proposal. California has always been at the forefront of efforts to protect the public from smog and climate change. We have been pleased to have a strong partnership with the federal government. No one wants to end that joint effort and I am certain no one looks forward to the years of litigation and the associated “investment stifling” uncertainty that would inevitably follow.

We will take the actions we must to protect the public and follow the law if the federal agencies do not change course. It is not too late to choose a better way—a path forward that benefits consumers, air quality and climate, as well as investments and jobs tied to a clear and consistent long-term path to cleaner cars.

ⁱ Antonio M. Bento et al., *Flawed Analyses of U.S. Auto Fuel Economy Standards*, 362 *Science* 1119 (2018), available at: <http://science.sciencemag.org/content/362/6419/1119.summary/d>.

ⁱⁱ CARB analysis, *supra* n. v, at pp. 291-292.

ⁱⁱⁱ *Id.* at 333-34.

^{iv} *Id.* at 332.

^v Hiroko Tabuchi, *The New York Times*, *The Oil Industry's Covert Campaign to Rewrite American Car Emissions Rules* (Dec. 13, 2018), available at: <https://www.nytimes.com/2018/12/13/climate/cape-emissions-rollback-oil-industry.html>.