Editorial Board

On Auto Emissions, California Saves the Day

Your next car could be a lot better for the climate. Thank the Golden State - and the auto companies.

By <u>Editorial Board</u>
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Getting with the program. Photographer: David McNew/Getty Images

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California just notched a victory in its battle with the Trump administration over environmental policy. What makes this win especially notable — and especially encouraging — is that an alliance with car manufacturers helped bring it about.

Some background: For more than half a century, California has been permitted to set its own targets for auto emissions and fuel economy — standards that more than a dozen other states, representing more than 30% of the U.S. auto market, now follow. Car makers came to treat the state's high standards as de facto national benchmarks.

In this article

BMW
BAYER MOTOREN WK
66.30 EUR

v -0.59 -0.88%

7267 HONDA MOTOR CO 2,721.00 JPY

▲ +10.50 +0.39%

VOW VOLKSWAGEN AG 153.20 EUR

▼ -1.80 -1.16%

That worked well enough until last year, when the Environmental Protection Agency, under President Donald Trump's direction, said it would set new and less demanding national standards — in effect, driving a wedge between California's rules and the targets to be applied elsewhere. In talks with the Trump administration to establish consistent — and looser — national standards, California stood its ground. The White House angrily broke off the discussion; California threatened to adopt "extreme" new rules if the

president didn't relent; and lengthy litigation loomed.

Auto makers faced the debilitating prospect of dueling regulatory mandates. In June, a group of 17 asked the president to resume negotiations, but he refused: Industry leaders would have to choose sides and fall into line. They did. They chose California, and the state recently announced that it had negotiated its own deal with four major companies: BMW, Ford, Honda and Volkswagen. This new agreement slightly relaxes the state's standards, but the rules are far stricter than the White House envisaged. Other companies are thinking about joining the pact. And Canada says it will bring its own rules into line.

The Trump administration has <u>dismissed</u> the deal as unimportant. In fact, it matters a lot. It shows that car manufacturers, which seek regulatory certainty above all, find it easier to achieve that by dealing with California and other environmentally responsible states, rather than with an erratic, ill-managed federal regulator. Best of all, of course, if Trump's initiative on cars is defeated, there will be large collateral benefits in the form of cleaner air and carbon abatement. The administration has pledged to carry on fighting, but if the manufacturers unite in opposition, it will lose — and the country as a whole will win.

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