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Defying Trump, 5 Automakers Lock In a Deal on Greenhouse Gas Pollution

The five — Ford, Honda, BMW, Volkswagen and Volvo — sealed a binding agreement with California to follow the state's stricter tailpipe emissions rules.



Volkswagen, Ford, Honda and BMW blindsided the Trump administration last year when they announced a deal to comply with California's emissions rules. Patrick T. Fallon/Bloomberg



By **Coral Davenport**

Aug. 17, 2020

WASHINGTON — California on Monday [finalized a legal settlement](#) with five of the world's largest automakers that binds them to comply with its stringent state-level fuel efficiency standards that would cut down on climate-warming tailpipe emissions.

Monday's agreement adds legal teeth to a [deal that California and four of the companies outlined in principle last summer](#), and it comes as a rejection of President Trump's new, looser federal rules on fuel economy, which would allow more pollution into the atmosphere.

[Mr. Trump was blindsided last summer](#) when the companies — Ford, Honda, BMW and Volkswagen — announced that they had reached a secret deal with California to comply with that state's standards, even as the Trump administration was working to roll back Obama-era rules on fuel economy. A fifth company, Volvo, said in March that it intended to join the agreement and is part of the legal settlement that was finalized on Monday.

After last summer's announcement, Mr. Trump escalated his legal and rhetorical attacks on California. He [accelerated the release of a rule to revoke California's legal authority to set its own state-level standards](#),

[writing on Twitter](#) that doing so would “produce far less expensive cars for the consumer, while at the same time making the cars substantially SAFER.” His administration dismissed the California deal as a meaningless “voluntary stunt.”

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But with the publication of Monday’s legal agreement, the “stunt” is no longer voluntary.

“We went into this voluntarily, but it is now binding, it’s enforceable,” said Spencer Reeder, director of government affairs and sustainability at Audi of America, who helped to negotiate the agreement on behalf of Volkswagen, Audi’s parent company.

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Updated Aug. 18, 2020

Here’s what you need to know this week:

Five automakers [sealed a binding agreement](#) with California to follow the state’s stricter tailpipe emissions rules.

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Climate change leaders said [the vice-presidential choice of Kamala Harris](#) signaled that Democrats will have a focus on environmental justice.

Under the California agreement, the automakers, which together make up about 30 percent of the United States auto market, will be required to increase their average fuel economy from about 38 miles per gallon today to about 51 miles per gallon by 2026. By comparison, [the Trump administration’s national rule on auto emissions](#), which was completed this spring, rolled back [a 2012 rule that required automakers’ fleets to average](#)

[about 54 miles per gallon by 2025](#). Instead, the fleets now must only average about 40 miles per gallon.

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The differences in fuel efficiency requirements will have profound impacts on the climate. Increasing fuel efficiency means vehicles burn less gasoline and emit less greenhouse gas pollution into the atmosphere. Mr. Trump's rollback of the Obama-era rule on fuel economy amounts to the single largest step he has taken to erase his predecessor's policies to fight climate change.

The five automakers' deal with California amounts to a rebuke to that rollback.

Stanley Young, a spokesman for California's Air Resources Board, said the agreement achieved "continuous annual reductions in greenhouse gas emissions while saving consumers money."

And because the deal extends beyond California's borders, the impact could be substantial. Thirteen other states follow California's state-level standards and have agreed to enforce the new agreement. The fate of the separate standards is expected to be decided by the Supreme Court, which will most likely render judgment [on a multistate lawsuit](#) that seeks to nullify the Trump administration's federal rule or at least to retain states' authority to set stricter rules.

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If former Vice President Joseph R. Biden Jr. wins the White House, he will almost certainly seek to restore the Obama-era tailpipe pollution rules and allow California and other states to set tighter rules.

The automakers that sided with California say that their agreement will lock them into selling more fuel-efficient, lower-polluting vehicles across all the states, regardless of the White House occupant.

“This represents consistency from a policy point of view,” said Bob Holycross, vice president for sustainability, environment and safety engineering with Ford.

“Whether it is from one political party to another or the changes from elections or what the makeup of Congress is, we have to have regulatory certainty beyond just political cycles governing the investments we make,” he said.

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