From: Olechiw, Michael
Location: AA-Room-Office-C126-ConfRoom/AA-OTAQ-OFFICE
Importance: Normal
Subject: MTE Update
Start Date/Time: Mon 3/6/2017 3:00:00 PM
End Date/Time: Mon 3/6/2017 4:00:00 PM

Colleagues,

Many of you may have heard that the Administrator has decided to take action on the MTE Final Determination. While we do not yet know with certainty what that action will be, or the exact timing associated with the announcement, this meeting is being set to communicate what we do know and to discuss what this could potentially mean for us going forward.

Call-in:

Ex. 6 - Personal Privacy

To: Charmley, William[charmley.william@epa.gov]
From: NADA Headlines
Sent: Mon 3/27/2017 3:18:00 PM
Subject: Forecast: U.S. March Sales to Reach 17-Year High

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March 27, 2017

Inside this issue

- Forecast: U.S. March Sales to Reach 17-Year High
- Calif. Air Regulators Break with Trump on Fuel Rules
- IRS Issues Updated Annual Depreciation Tables for Passenger Vehicles
- Used-Car Market Likely to Eclipse 3.6M Sales
- Buy-Sells Shuffle Dealership Rankings
- Buick Steps Up to Join the Luxury Game, Debuting Two New Vehicles Ahead of the New York Auto Show

Top Stories

Forecast: U.S. March Sales to Reach 17-Year High

A *WardsAuto* forecast calls for U.S. automakers to deliver 1.61 million light vehicles in March, a 17-year high for the month. The forecasted daily sales rate of 59,776 over 27 days is a best-ever March result.
Source: WardsAuto

Related article:

Quotable

"Auto sales in the first quarter of 2017 are humming along and deliveries are in line with our expectations for the full calendar year."

-- ALG chief industry analyst Eric Lyman, *Auto Remarketing*, March 24

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Automotive Forum -- April

- April 5: NADA Quarterly Briefing on Auto Sales and Economy

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Calif. Air Regulators Break with Trump on Fuel Rules

California air regulators voted Friday to keep the state's tough vehicle emissions standards through 2025. The state Air Resources Board voted unanimously at a meeting in Riverside [Calif.] to continue with the standards for 2022 to 2025 after reaching a conclusion similar to one by the U.S. Environmental Protection Agency under the Obama administration. More recently, however, President Donald Trump said he wants to re-examine the rules governing gas mileage and set a uniform fuel mileage requirement for automakers in the U.S.

Source: The Detroit News

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IRS Issues Updated Annual Depreciation Tables for Passenger Vehicles

Revenue Procedure 2017-29 updates for 2017 tax years the annually published depreciation and inclusion tables for owners and lessees, respectively, of passenger vehicles, trucks and vans. First year depreciation for passenger cars placed in service in 2017 (and for which the § 168(k) additional first year depreciation deduction applies) is $11,160, and for trucks and vans is $11,560.

Source: IRS

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Used-Car Market Likely to Eclipse 3.6M Sales

Used-car sales this month could approach 3.64 million units, according to a forecast released Friday by ALG. That would be a 2.4-percent year-over-year increase.

Source: Auto Remarketing

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Buy-Sells Shuffle Dealership Rankings

The top 150 groups own 3,468 dealerships, or 19 percent of all the rooftops in the U.S., according to the Automotive News Data Center. They retailed 3,585,382 new vehicles or 21.6 percent of the industry's 2016 U.S. new-vehicle sales, up from 21.2 percent in 2015.

Source: Automotive News

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Past Articles:

Buick Steps Up to Join the Luxury Game, Debuting Two New Vehicles Ahead of the

New York Auto Show

Buick, the 114-year-old Detroit brand trying to shed its blue-haired image, will take a significant step toward joining the ranks of global luxury automakers when it unveils its long-awaited upscale line at the New York Auto Show.
Source: Forbes.com

Editor's note: *NADA, J.D. Power and the New York International Auto Show are hosting the 2017 Automotive Forum at the Grand Hyatt New York on April 11. The full-day forum, "Automotive 3.0 – Navigating through Changing Times," includes numerous speakers and panel sessions. For the full agenda or to register, visit* ***www.autoforumny.com****. Attendees will receive exclusive access to the auto show during press days starting on April 12.*

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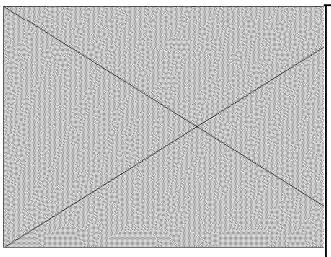
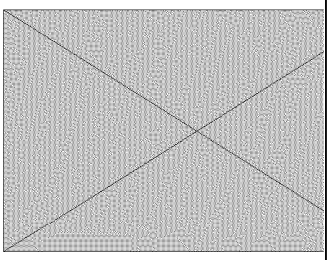
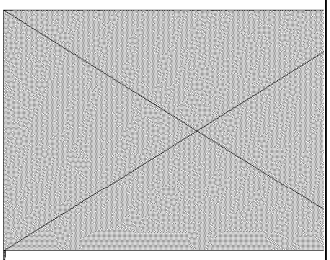
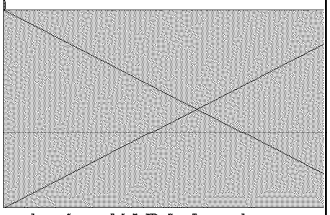
- March 23 - Californians Snub Free EVs, Carmakers Say in Pushback on Mandate
- March 22 - Jobs Bounce Debated As Trump Promises CAFE Review
- March 21 - NADA to Hold Quarterly Briefing on Auto Sales and Economy on April 5
- March 20 - With EPA Victory Comes New Uncertainty









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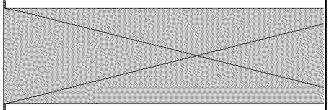

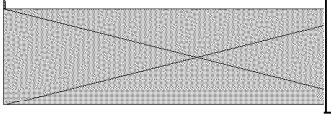

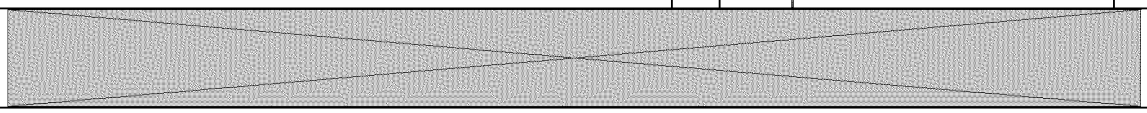

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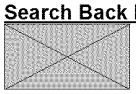

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To: Moskalik, Andrew[Moskalik.Andrew@epa.gov]
Cc: Moran, Robin[moran.robin@epa.gov]; Charmley, William[charmley.william@epa.gov]; Helfand, Gloria[helfand.gloria@epa.gov]
From: Alson, Jeff
Sent: Thur 3/23/2017 1:14:59 PM
Subject: RE: Pruitt Op-Ed in USA Today

Andy, this is very helpful. I had spent 15 minutes trying to "find" the author on the web, and clicked on a few facebook and linked in profiles for various folks with that name. I found a facebook page for this fellow, but not the linked in page you sent. Because of his business degree, I speculated that this might indeed be the author, but I couldn't confirm because his facebook page did not specifically list the NCPA affiliation.

Bottom line—this blog was written by a 23 or 24 year old, with a bachelor's degree in business less than a year ago, now working in a "supply chain rotational role," and whose only other highlighted activity besides this one blog is volunteering in his church. Based on his own resume and my web search, he has written no other blogs or articles or papers.

Oh, and his 1-page blog full of errors has been cited in WH talking points and an Administrator op-ed in USA today.

From: Moskalik, Andrew
Sent: Thursday, March 23, 2017 6:48 AM
To: Moran, Robin <moran.robin@epa.gov>; Midterm Review <Midterm_Review@epa.gov>
Subject: RE: Pruitt Op-Ed in USA Today

Just FYI, here's Matthew Ruland's Linked In profile: https://www.linkedin.com/in/matthew-ruland-22888093/ (can't be more than one Matt Ruland who "conducts research for the National Center for Policy Analysis.")

He's currently employed by Occidental Chemical Corporation, after graduating from Arizona State University with a BS in Finance in 2016.

-AM

From: Moran, Robin
Sent: Wednesday, March 22, 2017 3:20 PM
To: Midterm Review <Midterm_Review@epa.gov>
Subject: FW: Pruitt Op-Ed in USA Today

Someone just mentioned that this blog hadn't been sent around to the whole team, so wanted to make sure everyone was aware.

In the "new" spirit of transparency that the blog discusses, Jeff Alson did a bit of research on the cited "National Center for Policy Analysis" and here's what he found:

"The National Center for Policy Analysis says these standards have pushed manufacturing and jobs to Mexico."

I went to the National Center for Policy Analysis website. The paper is titled "CAFE Standards Distort Auto Production and Push Jobs South." Bill flagged this blog a couple of weeks ago when it was cited in draft talking points. The blog was written by Matthew Ruland, about whom there is no information other than that he is a "contributing author" to the website. I searched the web, and can find no one with that name who has done any work on CAFE, GHG, regulatory, or economic issues. Here are some highlights from the 1-page blog:

•□□□□□□□ His rationale is 1) CAFE standards increase new vehicle costs, and 2) therefore, automakers shift jobs to Mexico. No mention of increasing or record sales, or higher profits, or higher US auto employment.

•□□□□□□□ He criticizes CAFE as "complex, confusing, and seem to always distort things" and cites as evidence: 1) automakers are allowed to average across their fleets (he is the first person I know of to criticize CAFE/GHG averaging), 2) separate car and truck standards, and 3) the footprint-based targets.

•□□□□□□□ Immediately after citing separate car and truck standards and footprint-based targets, he then states that there is regulatory incentive in selling small cars, though he then oddly states that the Focus "lowers the overall MPG across the Ford fleet."

•□□□□□□□ And more costly small cars "will possibly lead to a surge in demand of larger, gas-guzzling trucks or SUVs."

Bottom line, there is no analytical rationale to support the author's contention that the standards are "pushing jobs south" and there are many factual errors in this short blog.

From: Birgfeld, Erin
Sent: Tuesday, March 21, 2017 2:22 PM
To: Alson, Jeff <alson.jeff@epa.gov>; Charmley, William <charmley.william@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Grundler, Christopher <grundler.christopher@epa.gov>; Moran, Robin <moran.robin@epa.gov>
Cc: Hengst, Benjamin <Hengst.Benjamin@epa.gov>; Snapp, Lisa <snapp.lisa@epa.gov>; Cook, Leila <cook.leila@epa.gov>
Subject: Pruitt Op-Ed

Just in case you missed it…

Scott Pruitt: We're protecting jobs and the environment (USA Today)

It is time for a fresh look at fuel economy standards that push jobs outside the United States.

There's a phrase I've used often over the past several weeks — "The future ain't what it used to be." After my first full month serving as administrator to the Environmental Protection Agency, there's no question times are changing, and last week we saw yet another example of how our president continues to lead the way.

Auto manufacturing continues to be one of the driving forces in the American economy, accounting for 3% of our GDP. Forty-five states have 10,000 or more auto jobs. Automakers and their suppliers employ more than 3.5 million Americans. The American people clearly want it to stay that way.

President Trump promised to fight to keep auto manufacturing jobs here in the United States, and he has asked his entire Cabinet to help.

Department of Transportation Secretary Elaine Chao and I, as administrator of the Environmental Protection Agency, took steps to help. We have announced that we will revisit the previous administration's rule that finalized standards to increase fuel economy to the equivalent of 54.5 mpg for cars and light-duty trucks by Model Year 2025.

EPA will work with our partners at DOT to take a fresh look. This thorough review will help ensure that this national program is good for consumers and good for the environment.

After the November election the EPA rushed through these standards, as Forbes reported, "requiring automakers to more than double their fleet-wide fuel efficiency by 2025, a move that comes earlier than expected and is seen as a measure to try to lock in part of President Obama's legacy before Donald Trump gets into the White House."

The auto industry estimates that it would need to spend $200 billion to comply. That type of expense would lead to higher prices for consumers, lower wages for workers and jobs moving out of the country. The National Center for Policy Analysis says these standards have pushed manufacturing and jobs to Mexico.

Last week, EPA and DOT put a pause on the process to reexamine the rule to hear from all stakeholders.

This is an example of how the Trump administration is going to do things differently. That includes a more transparent EPA. Americans can have both a clean and healthy environment and good paying manufacturing jobs. America is going to create jobs and grow the economy while at the same time be good stewards to our natural resources.

Improved technology has made the United States the world leader in clean air quality. From 1970 to 2015, aggregate national emissions of the six common pollutants dropped an average of 70% while gross domestic product grew by 246%. We have achieved this reduction during a time when more Americans were driving more cars, more miles. That is remarkable and shows American ingenuity is simply the best.

Increased transparency is a difference the Trump administration is going to bring and with it will come jobs and healthy American families. Yogi Berra was right… The future ain't what it used to be.

Scott Pruitt is administrator of the Environmental Protection Agency.

To: Charmley, William[charmley.william@epa.gov]; Hengst, Benjamin[Hengst.Benjamin@epa.gov]
From: Simon, Karl
Sent: Wed 3/22/2017 7:21:19 PM
Subject: FW: Letter for State Environmental Commissioners on Final Determination for GHG Standards
Joint Ltr re EPA GHG Standards.pdf

From: Arthur Marin [mailto:amarin@nescaum.org]
Sent: Wednesday, March 22, 2017 2:58 PM
To: Grundler, Christopher <grundler.christopher@epa.gov>
Cc: Simon, Karl <Simon.Karl@epa.gov>
Subject: Letter for State Environmental Commissioners on Final Determination for GHG Standards

Dear Chris and Karl:

Attached is a bi-partisan letter to Administrator Pruitt signed by Environmental Commissioners from 10 states and DC asking EPA to maintain the "Final Determination on the Appropriateness of the Model Year 2022-2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards." The letter also stresses the importance of the independent authority of California to implement its own standards and the right of other states to opt into those California standards.

Regards,

Arthur

Arthur Marin

Executive Director

NESCAUM

617 259-2017

To: Midterm Review[Midterm_Review@epa.gov]; Charmley, William[charmley.william@epa.gov]
From: Moran, Robin
Sent: Wed 3/22/2017 3:52:01 PM
Subject: FW: Jobs Bounce Debated As Trump Promises CAFE Review

http://wardsauto.com/industry/jobs-bounce-debated-trump-promises-cafe-review

This article's bottom line: "It is unclear, though, where in the auto industry chain new jobs would sprout from looser efficiency regulations, or how many could be created."

Includes quotes from Bainwol, Therese Langer, Senator Markey, and some UM professor talking about a gas tax. Quotes also from the NHTSA preamble in 17-25 rule on employment effects.

Jobs Bounce Debated As Trump Promises CAFE Review

Mar 21, 2017 James M. Amend | ***WardsAuto***

The president's rhetoric has presented his administration's second look at the standards as fulfilling a campaign promise of easing burdensome industry regulations to stimulate job growth.

President Trump's plan to conduct a second midterm review of federal fuel-economy and carbon-dioxide emissions standards arguably sets right a wrong because the previous examination was rushed through with limited industry input, but whether easing those goals will create jobs is considered debatable.

"EPA pulled a fast one," Rebecca Lindland, analyst with Kelley Blue Book, says of the late-2016 CAFE review. "It was incredibly disingenuous."

President Obama brokered a deal with automakers selling light vehicles in the U.S. for a lofty CAFE standard of 54.5 mpg (4.3 L/100 km) by 2025. The stair-stepped rules, which began with the '17 model year, are footprint-based to keep the playing field level between makers of predominantly larger or smaller vehicles. It also contains credits and other loopholes to make the bogey easier to meet.

However, the biggest carrot Obama presented to the industry with the rules was a midterm review in 2016 to determine how the industry was progressing against the tougher standards. A first step in the review was a technical assessment paper released in July by the EPA, NHTSA and California Air Resources Board. It concluded automakers were making the necessary innovations to improve efficiency at a faster pace and lower cost than anticipated, but 54.5 mpg by 2025 might be unrealistic.

The review was to continue with commentary from stakeholders until April, but the EPA moved the deadline up to January and decided to maintain the standards as originally written before Obama left office.

"We all agreed that 2017-2018 will be used to carry out a thorough midterm review with the full participation of the auto industry," FCA CEO Sergio Marchionne said last week after a Trump rally outside Detroit to announce reopening the review. "I know for a fact that we were not called in (to the late-2016 review). To me it was like somebody reneged on a deal. I don't like it."

Mitch Bainwol, president and CEO of the Alliance of Automobile Manufacturers, a lobbyist for the industry and early critic of the EPA's accelerated review, calls Trump's decision a win for analysis over politics.

Others claim a second review puts at risk billions of dollars in potential fuel savings for consumers and possibly dramatic reduction in tailpipe emissions.

"Automakers pushed the administration toward (Trump's) announcement, but they are doing their own industry a disservice," says Therese Langer, director-transportation program at the American Council for Energy Efficient Economy, an advocate for energy efficiency.

"Any delay in settling efficiency standards introduces uncertainty that will disrupt manufacturers' product planning," she adds. "What is certain is that technological stagnation is not a recipe for continuing the remarkable success our domestic manufacturers have achieved in recent years."

U.S. Sen. Ed Markey (D-MA) called any easing of the rules "the wrong way to go for our security, economy and environment."

However, Trump's rhetoric has presented his administration's second look at the standards as fulfilling a campaign promise of relaxing burdensome industry regulations to stimulate job growth. The president also plans to target tax reform, among other business-friendly policy steps. Whether jobs will come from looser efficiency standards is debatable.

"Trump could revitalize the auto industry," says Gary Chaison, an industrial relations labor historian at Clark University in Worcester, MA. "It's payback time."

It is unclear, though, where in the auto industry chain new jobs would sprout from looser efficiency regulations, or how many could be created. In fact, the promise of new jobs from a rules rollback runs contrary to arguments underpinning their enactment in 2011.

As supporters pushed for tough 2017-2025 standards, they touted job creation as a major benefit of the rules, alongside cleaner air and reduced annual fuel costs for Americans. The UAW, National Resources Defense Council and National Wildlife Foundation stated in a report to the EPA and NHTSA during drafting of the standards that if 75% of the additional content needed for fleets to reach 40 mpg (5.9 L/100 km) by 2020 were put into production, an estimated 150,000 new jobs would be created.

"The final rule will likely have a positive effect on employment in R&D and at suppliers and auto assemblers for additional parts such as turbochargers," NHTSA concluded.

The Defour Group, a Michigan business consultancy, was one voice arguing the potential negative implications of the rule by forecasting 205,000 jobs would be lost as fuel-efficiency technologies raised car prices and deflated sales. The Center for Automotive Research, an Ann Arbor, MI-based think tank, speculated the new technologies would increase costs upwards of $6,000 per vehicle.

NHTSA determined otherwise, saying, "It is highly unlikely the rule would lead to significant job losses in the near-term in the automotive industry."

According to the Obama Admin., U.S. auto industry employment doubled between 2010 and 2015 by adding 500,000 jobs.

But the industry also witnessed an historic rebound from record-low sales at the end of the previous decade to all-time annual highs of 17.5 million vehicles in 2015 and 2016. Low interest rates, flexible borrowing terms, consumer confidence and cheap gas have been cited as the primary drivers, not the development of fuel-saving technologies.

Last week, Trump effectively promised the same outcome from going in the opposite direction. Lindland says it is difficult to speculate on what effect looser fuel rules would create.

"It is not a black-and-white question," she says. "If OEMs were allowed to invest in the technologies consumers want and there is a tangible environmental benefit, everyone wins. But the big challenge is on fuel economy. There is not a national demand for hybrid (cars) and electric vehicles."

America's currently insatiable appetite for bigger, less-fuel-efficient vehicles could be the wild card in Trump's strategy. If fuel prices remain low, as many feared when the 2017-2025 rules were drafted, consumers may continue to eschew mandated fuel-efficient technologies and automakers will have to cut jobs to make up for unsold products.

"Whether it spurs or inhibits job growth is something that can be debated endlessly," Lindland offers.

The question also exists of where Trump's jobs would go. Some have argued the recently emerging promise of autonomous driving could replace R&D jobs lost to cutbacks in fuel-efficiency research. But at the same time, automakers are reluctant to add vehicle-production capacity in the U.S. for fear another sales downturn only would lead to a new round of painful plant closings.

According to *WardsAuto* data, capacity utilization of U.S. auto assembly plants last year was 103.1% based on a 2-crew, 5-day work week over 52 weeks. *WardsAuto* forecasts slightly lower capacity utilization in 2017 of 98.2%, which is still awfully tight and a difficult environment to add products and the jobs to make them without new brick-and-mortar.

Donald Grimes, a professor of labor, employment and economics at the University of Michigan in Ann Arbor, says Trump is correct in his view of fuel-economy and emissions rules as possibly being poor legislation. Not for the jobs element, he says, but because it does not address the dictator of consumer buying habits: gas prices.

"Policymaking has not been very smart," he says. "(Obama) went for a politically easier answer than a higher gas tax. And no one will see these jobs. It is a very small amount either way.

"Trump is correct in his assessment of this specific policy, but not the broader context. There is no free lunch," he says.

But a fresh look at the rules signals automakers may have a new supporter in their corner, Chaison adds.

"The auto industry has an ally in Donald Trump, because they are a high-profile industry," he says.

From: NADA Headlines [mailto:nadaheadlines@nada.org]

Sent: Wednesday, March 22, 2017 10:05 AM
To: Moran, Robin <moran.robin@epa.gov>
Subject: Jobs Bounce Debated As Trump Promises CAFE Review

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March 22, 2017

Inside this issue

- Jobs Bounce Debated As Trump Promises CAFE Review
- Auto Makers Target China as New U.S. Trade Rules Loom
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- Fiat Chrysler Boss Says 'Waiting in Anticipation' to Meet VW Chief
- Webinar Today: Implementing a Courtesy Transportation Program
- April 5: NADA Quarterly Briefing on Auto Sales and Economy

Quotable

"Trump could revitalize the auto industry."

-- Gary Chaison, an industrial relations labor historian at Clark University in Worcester, Mass., *WardsAuto*, March 21

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Jobs Bounce Debated As Trump Promises CAFE Review

President Trump's plan to conduct a second midterm review of federal fuel-economy and carbon-dioxide emissions standards

arguably sets right a wrong because the previous examination was rushed through with limited industry input, but whether easing those goals will create jobs is considered debatable.

Source: WardsAuto

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Auto Makers Target China as New U.S. Trade Rules Loom

Global car makers push Trump to take a harder line over Chinese regulations that protect local companies

Top auto makers, facing the threat of costly North American trade policy changes, want the Trump administration to take a harder line on a market thousands of miles from their home turf. China's car business is attractive to outsiders chasing sales growth, but rules protecting local companies dent profits of global auto giants and force them to share technology with potential rivals. The 25% tariff on vehicle imports makes U.S.-built automobiles too expensive for most buyers in the world's largest auto market.

Source: The Wall Street Journal (subscription required)

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Mexico Stops Sweating Over Fate of NAFTA

Spring couldn't have come soon enough for Mexican officials who worried that the North American Free Trade Agreement might not survive the winter of Donald Trump's ascent. So far, cooler heads on both sides of the border have prevailed, paving the way for negotiations later this year that may find the right mix of concessions to keep the trilateral trading bloc alive for another quarter century.

Source: Automotive News

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Fiat Chrysler Boss Says 'Waiting in Anticipation' to Meet VW Chief

Fiat Chrysler Chief Executive Sergio Marchionne said on Tuesday he was looking forward to meeting Volkswagen boss Matthias Mueller to discuss a possible tie-up between the two carmakers but added he hadn't seen his counterpart in six to seven months. Marchionne has long advocated car industry mergers to share the costs of making cleaner and more technologically advanced vehicles and has repeatedly relayed his desire via the media.

Source: Reuters

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Webinar Today: Implementing a Courtesy Transportation Program

Angela Margolit with Bluebird Auto Rental Systems will highlight the benefits of implementing a courtesy transportation program (CTP) at the dealership. Find out the advantages of CTP tools such as

reservation planners, computer-generated loaner agreements, interactive dashboards and more. **Click here** to register.

Date: Wednesday, March 22, 2017
Time: 12 p.m. ET
Duration: 30 minutes
Source: NADA Dealership Operations

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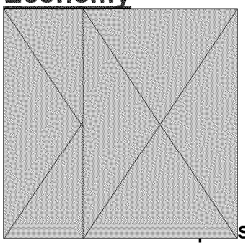
April 5: NADA Quarterly Briefing on Auto Sales and Economy


Szakaly

NADA Chairman Mark Scarpelli and NADA Chief Economist Steven Szakaly will share their insights on the overall economy and where it is trending and provide any revisions to NADA's outlook following the first quarter sales results for new cars and light trucks, as well as highlight the key sales indicators and drivers of the retail-auto industry. NADA has forecast sales of 17.1 million new light vehicles for 2017.

When: Wednesday, April 5, 2017
Call-in Time: 11 a.m. ET

Scarpelli is president of Raymond Chevrolet and Raymond Kia in Antioch, Ill., and co-owner of Ray Chevrolet and Ray Chrysler-Jeep-Dodge-Ram in Fox Lake, Ill.

A Q&A session with members of the media and industry will follow the briefing. **Click here** to register.
Source: NADA

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Past Articles:

- March 21 - NADA to Hold Quarterly Briefing on Auto Sales and Economy on April 5
- March 20 - With EPA

Past Articles:		Victory Comes New Uncertainty ▪ March 17 - Automotive Service Quality Rises Along with Overall Customer Satisfaction, J.D. Power Finds ▪ March 16 - NADA Praises Trump Administration for Restarting Midterm Review of Fuel-Economy Standards ▪ March 15 - Trump Will Offer Boost for Carmakers Today **"Trump could revitalize the auto industry."** -- Gary Chaison, an	

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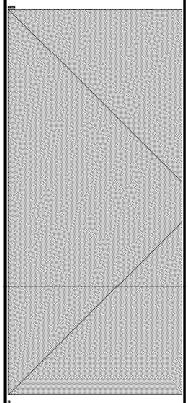

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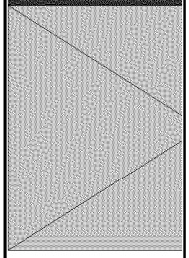
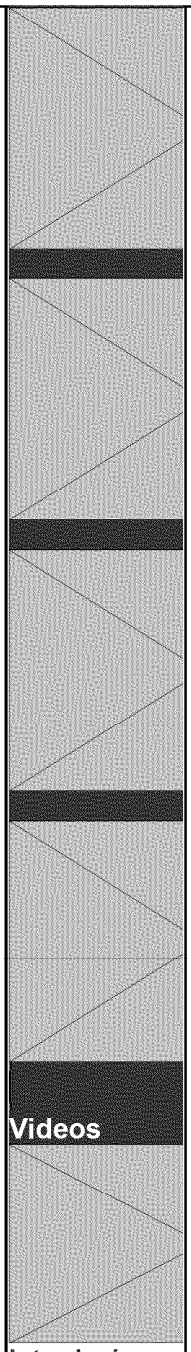


NADA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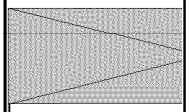

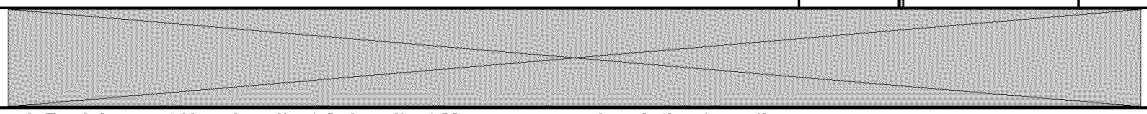

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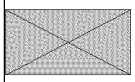

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To: Moran, Robin[moran.robin@epa.gov]
Cc: Charmley, William[charmley.william@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]
From: Alson, Jeff
Sent: Wed 3/22/2017 3:41:55 PM
Subject: FYI in case you missed it--very good article by Amory Lovins

The third article below, from the Monday OTAQ Daily News Brief, is a very good and lengthy piece by Amory Lovins defending the LD GHG standards. I see that Bill and Mike get this daily collection, but I wanted to make sure that the two of you saw this article both because it is well written but also because Lovins is very influential (he visited NVFEL twice in the old days).

Robin, I recommend that you ask David Richards to be added to the list, it is an efficient way to see 5-10 OTAQ-specific articles each day.

From: Richards, David
Sent: Monday, March 20, 2017 9:44 AM
To: Acevedo, Frank <acevedo.francisco@epa.gov>; Adams, Elizabeth <Adams.Elizabeth@epa.gov>; Alson, Jeff <alson.jeff@epa.gov>; Argyropoulos, Paul <Argyropoulos.Paul@epa.gov>; Audette, Lucie <audette.lucie@epa.gov>; Barba, Daniel <Barba.Daniel@epa.gov>; Beardslee, Renee <Beardslee.Renee@epa.gov>; Beardsley, Megan <Beardsley.Megan@epa.gov>; Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Bizer-Cox, Daniel <Bizer-Cox.Daniel@epa.gov>; Blubaugh, Jim <Blubaugh.Jim@epa.gov>; Bradish, Tracey <bradish.tracey@epa.gov>; Brusstar, Matt <brusstar.matt@epa.gov>; Bunker, Byron <bunker.byron@epa.gov>; Burch, Julia <Burch.Julia@epa.gov>; Bynum, Cheryl <bynum.cheryl@epa.gov>; Caldwell, Amy <caldwell.amy@epa.gov>; Charmley, William <charmley.william@epa.gov>; Chatfield, Ethan <chatfield.ethan@epa.gov>; Clark, Sarah <clark.sarah@epa.gov>; Cohen, Janet <cohen.janet@epa.gov>; Cook, Leila <cook.leila@epa.gov>; Cullen, Angela <cullen.angela@epa.gov>; Dickinson, David <Dickinson.David@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Donez, Francisco <Donez.Francisco@epa.gov>; Dotzel, Kathryn <dotzel.kathryn@epa.gov>; Drake, Kerry <Drake.Kerry@epa.gov>; Fowlkes, Sarah <fowlkes.sarah@epa.gov>; Galano, Fidel <Galano.Fidel@epa.gov>; Grundler, Christopher <grundler.christopher@epa.gov>; Haley, Mike <Haley.Mike@epa.gov>; Hassan, Nora <hassan.nora@epa.gov>; Haugen, David <haugen.david@epa.gov>; Helfand, Gloria <helfand.gloria@epa.gov>; Hengst, Benjamin <Hengst.Benjamin@epa.gov>; Henning, Julie <henning.julie@epa.gov>; Hoyer, Marion <hoyer.marion@epa.gov>; Hula, Aaron <Hula.Aaron@epa.gov>; Imfeld, Sterling <imfeld.sterling@epa.gov>; Jackman, Dana <jackman.dana@epa.gov>; Jackson, Cleophas <jackson.cleophas@epa.gov>; Johnson, Dennis <Johnson.Dennis@epa.gov>; Keller, Jennifer <Keller.Jennifer@epa.gov>; Kolowich, Bruce <kolowich.bruce@epa.gov>; Kurpius, Meredith <Kurpius.Meredith@epa.gov>; Lakin, Matt <Lakin.Matthew@epa.gov>; Le, Madison <Le.Madison@epa.gov>; Levin, David <Levin.David@epa.gov>; Lie, Sharyn <Lie.Sharyn@epa.gov>; Lo, Doris <Lo.Doris@epa.gov>; Machiele, Paul

<machiele.paul@epa.gov>; Machol, Ben <Machol.Ben@epa.gov>; Maguire, Andrea <Maguire.Andrea@epa.gov>; Manners, Mary <manners.mary@epa.gov>; Martynowicz, Trina <Martynowicz.Trina@epa.gov>; Martz, Kathleen <martz.kathleen@epa.gov>; Mayfield, Dana <mayfield.dana@epa.gov>; McCubbin, Courtney <McCubbin.Courtney@epa.gov>; McDaniel, Penelope <MCDANIEL.PENELOPE@EPA.GOV>; Meekins, Tanya <Meekins.Tanya@epa.gov>; Michaels, Harvey <Michaels.Harvey@epa.gov>; MIKULIN, JOHN <MIKULIN.JOHN@EPA.GOV>; Miller, Patrick <miller.patrick@epa.gov>; Mitchell, George <Mitchell.George@epa.gov>; Moltzen, Michael <Moltzen.Michael@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Nam, Ed <nam.ed@epa.gov>; Nelson, Brian <nelson.brian@epa.gov>; Nims, Kirk <Nims.Kirk@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Patulski, Meg <patulski.meg@epa.gov>; Peralta, Maria <Peralta.Maria@epa.gov>; Perez, Idalia <Perez.Idalia@epa.gov>; Revelt, Jean-Marie <revelt.jean-marie@epa.gov>; Samulski, Michael <samulski.michael@epa.gov>; Sargeant, Kathryn <sargeant.kathryn@epa.gov>; Schenk, Ruth <schenk.ruth@epa.gov>; Schweinfurth, Rob <Schweinfurth.Rob@epa.gov>; Scoville, Pat <Scoville.Pat@epa.gov>; Simon, Karl <Simon.Karl@epa.gov>; Snapp, Lisa <snapp.lisa@epa.gov>; Spears, Matthew <spears.matthew@epa.gov>; Spieth, John <Spieth.John@epa.gov>; Storhok, Ines <storhok.ines@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; Sun, Lisa <Sun.Lisa@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>; VanGessel, Benjamin <vangessel.benjamin@epa.gov>; Vawters, Katie <Vawters.Katie@epa.gov>; Watkins, Erica <Watkins.Erica@epa.gov>; Wehrly, Linc <wehrly.linc@epa.gov>; Weihrauch, John <Weihrauch.John@epa.gov>; Wilcox, Jason <Wilcox.Jason@epa.gov>; Witkowski, Nicolas <witkowski.nicolas@epa.gov>; Yarbrough, Cody <yarbrough.cody@epa.gov>; Zaremski, Sara <zaremski.sara@epa.gov>; Zimpfer, Amy <Zimpfer.Amy@epa.gov>
Subject: OTAQ Daily News Brief

OTAQ Daily News Brief

****Welcome everyone to OTAQ's daily news listserv. The OTAQ Daily News Brief compiles articles from around the world focused on our office's work; this includes everything from light duty/heavy duty vehicles, electric vehicles, air quality studies, aircrafts, boats and ships, to alternative fuels, and of course, climate change. If you'd like to be removed or would like to add another person to the listserv please contact David Richards at richards.david@epa.gov. Feedback welcomed. Thanks and enjoy!**

Reuters

Energy carbon emissions in 2016 flat for third year -IEA

A greener energy mix helped keep energy-related carbon dioxide emissions flat in 2016 yet more

needs to be done to avert a harmful rise in global temperatures, International Energy Agency (IEA) data showed on Friday. Energy sector emissions of 32.1 gigatonnes were unchanged from 2015 and 2014 even though the global economy grew by 3.1 percent, the IEA estimated. "These three years of flat emissions in a growing global economy signal an emerging trend and that is certainly a cause for optimism, even if it is too soon to say that global emissions have definitely peaked," IEA Executive Director Fatih Birol said in a statement. Carbon dioxide emissions fell in the United States and China, the world's two largest energy users and emitters, and were stable in Europe. This helped to offset increases in CO2 emissions in the rest of the world, the IEA said. U.S. emissions fell by 3 percent to their lowest level since 1992 helped by higher use of shale gas and renewable energy displacing coal. For the first time, the United States produced more electricity from natural gas than from coal last year. Emissions in China fell by 1 percent as coal demand declined despite its economy growing by 6.7 percent.

Bloomberg

Icahn Pressed EPA Candidates on Ethanol Rule He Wants Scrapped

Billionaire investor Carl Icahn, who helped President Donald Trump vet candidates to lead the Environmental Protection Agency, pressed them for their views on a regulation that he says is costing his oil refineries hundreds of millions of dollars a year. Scott Pruitt, who got the EPA administrator job, seemed to agree that the rule should be changed, Icahn said last week in an interview at his New York office. Icahn was disappointed with what he considered Pruitt's scant knowledge of the issue during their first meeting, in November, but said he was satisfied after another meeting and additional phone calls. Icahn also met with at least two other men who wanted the job, Jeffrey Holmstead and Donald van der Vaart, and pressed them about the topic, according to people with knowledge of those conversations. All the meetings took place in Icahn's 47th-floor Manhattan office overlooking Central Park, about two blocks north of Trump Tower. Read more: Trump Adviser Icahn Lobbies for Rule Change That Benefits Icahn. Icahn wants the EPA to scrap a longstanding rule key to enforcing the Renewable Fuel Standard, which mandates that biofuels make up part of the country's gasoline supply. The rule requires refineries and importers to blend renewable fuel into motor fuel or buy credits from others who do so.

Forbes

With Weaker Fuel Economy Standards, Everyone Loses, Including U.S. Automakers

Amory B. Lovins, Rocky Mountain Institute

On Wednesday in Detroit, beneath a vast American flag, President Trump answered 17 automakers' call to reopen the Mid-Term Review of the 2022-25 "CAFE" automotive efficiency standards. On his fourth day in office, he'd expedited approvals for two oil pipelines, skipping

further assessments (if the courts permit). This time he did the opposite, scrapping the Obama Administration's quick decision and substituting a year's further study. On January 12, EPA had found—sooner than expected but based on a strong record—that the 2022-25 CAFE standards agreed by all parties in 2009-12 could indeed be profitably and practically met, and at even lower cost than expected. Now President Trump has rejected that finding and reinstated a year-long process in which automakers can argue that EPA's robust and exhaustive record of decision, backed by a 2015 National Academies study, was wrong. Automakers were pleased, but they must have been a mite surprised when the President said, "We are going to work on the CAFE standards so we can make cars in America again." Actually, under CAFE standards evolving since 1978, the industry in 2016 sold an all-time record 17.55 million vehicles. But such continued success is not guaranteed. Twice before, weak foresight has nearly destroyed U.S. automaking: first when 1970s oil shocks favored higher-mpg Japanese products and Detroit avoided a rout only by responding to President Ford's 1975 CAFE law, and in 2009 when two of the Big Three needed restructuring and an $80 billion bailout.

Detroit News

Column: Weakened fuel standards wrong turn

Shannon Baker-Branstetter, Consumers Union

As industry leaders gathered in Detroit last week for a conference on vehicle fuel economy, the Trump administration has said it is poised to roll back the standards that make cars go farther on less gas and save consumers money. But further improving fuel economy is actually a no-brainer. While the administration highlights the cost of improvements, the evidence shows that benefits of the new standards far outweigh them. Reasonable, well-paced and structured fuel economy gains help drive economic growth, including auto sales, and keep more money in consumers' pockets. The details confirm this is a win-win for the economy, environment and consumers. The Environmental Protection Agency's recently completed report was based on thousands of hours of research and analysis, concluding that the standards provide net savings of billions of dollars in fuel costs. Our own analysis showed that the new fuel economy rules would save consumers $3,200 per car and $4,800 per truck over the life of a vehicle designed to meet the standard set for 2025. And that's assuming that today's low gas prices continue for decades to come. If fuel prices shoot up, the savings would be substantially higher.

LA Times

Column The California-U.S. brawl over auto emissions has begun

US automakers consistently have been great at grousing about safety and environmental regulations; in fact, that may be the only thing they've consistently been great at. Last week, this talent was again on display as they achieved one of their cherished goals — rolling back

emissions and mileage standards set by the Obama administration in its final days. During an appearance in Detroit, President Trump announced that he would reverse the Obama decision, allowing mileage and emissions standards for 2017 to 2025 to be reconsidered over the next year by the Environmental Protection Agency and the Department of Transportation. EPA Administrator Scott Pruitt and Transportation Secretary Elaine Chao hailed the move as a boon to the economy. "These standards are costly for automakers and the American people," declared Pruitt, a former Oklahoma attorney general and one of the best friends the oil industry ever had in government.

BBC News

Climate change: Biofuels 'could limit jet contrails'

Some close-quarter flying has provided new insights into aircraft pollution. US space agency-led scientists flew small, instrumented, chase planes directly in the exhaust plume of a big jet to measure the sorts of gases and particles being thrown out. The data suggests aircraft burning a mix of aviation kerosene and biofuel could reduce their climate impact. This would come from a substantial reduction in the production of the sooty particles that make contrails. "Those soot particles serve as nuclei for water vapour in the very cold atmosphere to condense on and for the artificial-looking linear contrails that we see when we look out the window," explained Richard Moore from Nasa's Langley Research Center. "You'll then see those lines spread and form cirrus clouds that weren't there before the plane flew through the airspace. "We know these contrails and cirrus clouds have a warming effect on the Earth's climate, and it's currently thought the warming effect associated with those clouds is more significant than all of the carbon dioxide emitted by aviation since the first powered flights began," he told the Science In Action programme on the BBC World Service.

International

Reuters

Indonesia plans to file WTO complaint over EU biodiesel duties

Indonesia plans to file a World Trade Organization complaint this month against European Union anti-dumping duties on biodiesel exports from the Southeast Asian country, trade officials said on Sunday. Indonesia said in a statement the EU duties on biodiesel were inconsistent with the WTO's Anti-Dumping Agreement and disputed the calculations that they were based on. "We are ready to file the suit at the first meeting in March 29-30 at WTO headquarter in Geneva," Indonesia's Director of Trade Security Pradnyawati said. In November 2013, the EU set duties of 8.8 percent to 20.5 percent for Indonesian producers and between 22 percent and 25.7 percent for

Argentine producers, to apply for five years in both cases. The EU argued that by imposing duty on the raw product, soybeans in the case of Argentina and palm oil for Indonesia, they gave an advantage to domestic producers, which allowed them then to "dump" product at unfairly low prices.

Bloomberg

Hate SUVs? Too Late

Resistance was futile. Comedians and environmentalists spent decades fighting the rise of the Canyonero, the Chelsea Tractor and other variants of the sports-utility vehicle. Now, the war between traditional passenger cars and their high-rise, roided-up cousins is all but over -- and SUVs won. In Australia, sales of SUVs overtook those of passenger vehicles last month.

David Richards

ORISE Research Participant

Office of Transportation and Air Quality

US Environmental Protection Agency

ph. 202.564.4964

To: Moran, Robin[moran.robin@epa.gov]; Charmley, William[charmley.william@epa.gov]
Cc: Hengst, Benjamin[Hengst.Benjamin@epa.gov]
From: Sutton, Tia
Sent: Wed 3/22/2017 2:23:21 PM
Subject: RE: FR Notice of Reconsideration of the Final Determination published today

Success! ☺

If you guys haven't already done so, I can have the web team delete the pre-pub version and add the FR version later today. Just let me know.

From: Moran, Robin
Sent: Wednesday, March 22, 2017 10:13 AM
To: Midterm Review <Midterm_Review@epa.gov>; Charmley, William <charmley.william@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>
Subject: FR Notice of Reconsideration of the Final Determination published today

FYI, link below.

EPA phone number was indeed corrected!

From: Kataoka, Mark
Sent: Wednesday, March 22, 2017 10:10 AM
To: Moran, Robin <moran.robin@epa.gov>; Yanca, Catherine <yanca.catherine@epa.gov>
Cc: Orlin, David <Orlin.David@epa.gov>
Subject: RE: Midterm Review

You may already have this – Intent to reconsider FR notice published today

https://www.federalregister.gov/d/2017-05316

To: Midterm Review[Midterm_Review@epa.gov]; Charmley, William[charmley.william@epa.gov]; Sutton, Tia[sutton.tia@epa.gov]
From: Moran, Robin
Sent: Wed 3/22/2017 2:12:33 PM
Subject: FR Notice of Reconsideration of the Final Determination published today

FYI, link below.

EPA phone number was indeed corrected!

From: Kataoka, Mark
Sent: Wednesday, March 22, 2017 10:10 AM
To: Moran, Robin <moran.robin@epa.gov>; Yanca, Catherine <yanca.catherine@epa.gov>
Cc: Orlin, David <Orlin.David@epa.gov>
Subject: RE: Midterm Review

You may already have this – Intent to reconsider FR notice published today

https://www.federalregister.gov/d/2017-05316

To: Charmley, William[charmley.william@epa.gov]; Hengst, Benjamin[Hengst.Benjamin@epa.gov]
From: Simon, Karl
Sent: Tue 3/21/2017 8:15:38 PM
Subject: FW: Pruitt Op-Ed

Ex. 5 - Deliberative Process

From: Alson, Jeff
Sent: Tuesday, March 21, 2017 4:12 PM
To: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Charmley, William <charmley.william@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Grundler, Christopher <grundler.christopher@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Simon, Karl <Simon.Karl@epa.gov>; Helfand, Gloria <helfand.gloria@epa.gov>
Cc: Hengst, Benjamin <Hengst.Benjamin@epa.gov>; Snapp, Lisa <snapp.lisa@epa.gov>; Cook, Leila <cook.leila@epa.gov>
Subject: RE: Pruitt Op-Ed

This sentence from the USA Today op ed caught my eye:

"The National Center for Policy Analysis says these standards have pushed manufacturing and jobs to Mexico."

I went to the National Center for Policy Analysis website. The paper is titled "CAFE Standards Distort Auto Production and Push Jobs South." Bill flagged this blog a couple of weeks ago when it was cited in draft talking points. The blog was written by Matthew Ruland, about whom there is no information other than that he is a "contributing author" to the website. I searched the web, and can find no one with that name who has done any work on CAFE, GHG, regulatory, or economic issues. Here are some highlights from the 1-page blog:

•□□□□□□□ His rationale is 1) CAFE standards increase new vehicle costs, and 2) therefore, automakers shift jobs to Mexico. No mention of increasing or record sales, or higher profits, or higher US auto employment.

•□□□□□□□ He criticizes CAFE as "complex, confusing, and seem to always distort things" and cites as evidence: 1) automakers are allowed to average across their fleets (he is the first person I know of to criticize CAFE/GHG averaging), 2) separate car and truck standards, and 3) the footprint-based targets.

•□□□□□□□ Immediately after citing separate car and truck standards and footprint-based targets, he then states that there is regulatory incentive in selling small cars, though he then oddly states that the Focus "lowers the overall MPG across the Ford fleet."

•□□□□□□□ And more costly small cars "will possibly lead to a surge in demand of larger, gas-guzzling trucks or SUVs."

Bottom line, there is no analytical rationale to support the author's contention that the standards are "pushing jobs south" and there are many factual errors in this short blog.

From: Birgfeld, Erin
Sent: Tuesday, March 21, 2017 2:22 PM
To: Alson, Jeff <alson.jeff@epa.gov>; Charmley, William <charmley.william@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Grundler, Christopher <grundler.christopher@epa.gov>; Moran, Robin <moran.robin@epa.gov>
Cc: Hengst, Benjamin <Hengst.Benjamin@epa.gov>; Snapp, Lisa <snapp.lisa@epa.gov>; Cook, Leila <cook.leila@epa.gov>
Subject: Pruitt Op-Ed

Just in case you missed it…

Scott Pruitt: We're protecting jobs and the environment (USA Today)

It is time for a fresh look at fuel economy standards that push jobs outside the United States.

There's a phrase I've used often over the past several weeks — "The future ain't what it used to be." After my first full month serving as administrator to the Environmental Protection Agency, there's no question times are changing, and last week we saw yet another example of how our president continues to lead the way.

Auto manufacturing continues to be one of the driving forces in the American economy, accounting for 3% of our GDP. Forty-five states have 10,000 or more auto jobs. Automakers and their suppliers employ more than 3.5 million Americans. The American people clearly want it to stay that way.

President Trump promised to fight to keep auto manufacturing jobs here in the United States, and he has asked his entire Cabinet to help.

Department of Transportation Secretary Elaine Chao and I, as administrator of the Environmental Protection Agency, took steps to help. We have announced that we will revisit the previous

administration's rule that finalized standards to increase fuel economy to the equivalent of 54.5 mpg for cars and light-duty trucks by Model Year 2025.

EPA will work with our partners at DOT to take a fresh look. This thorough review will help ensure that this national program is good for consumers and good for the environment.

After the November election the EPA rushed through these standards, as Forbes reported, "requiring automakers to more than double their fleet-wide fuel efficiency by 2025, a move that comes earlier than expected and is seen as a measure to try to lock in part of President Obama's legacy before Donald Trump gets into the White House."

The auto industry estimates that it would need to spend $200 billion to comply. That type of expense would lead to higher prices for consumers, lower wages for workers and jobs moving out of the country. The National Center for Policy Analysis says these standards have pushed manufacturing and jobs to Mexico.

Last week, EPA and DOT put a pause on the process to reexamine the rule to hear from all stakeholders.

This is an example of how the Trump administration is going to do things differently. That includes a more transparent EPA. Americans can have both a clean and healthy environment and good paying manufacturing jobs. America is going to create jobs and grow the economy while at the same time be good stewards to our natural resources.

Improved technology has made the United States the world leader in clean air quality. From 1970 to 2015, aggregate national emissions of the six common pollutants dropped an average of 70% while gross domestic product grew by 246%. We have achieved this reduction during a time when more Americans were driving more cars, more miles. That is remarkable and shows American ingenuity is simply the best.

Increased transparency is a difference the Trump administration is going to bring and with it will come jobs and healthy American families. Yogi Berra was right… The future ain't what it used to be.

Scott Pruitt is administrator of the Environmental Protection Agency.

To: Charmley, William[charmley.william@epa.gov]
Cc: Orlin, David[Orlin.David@epa.gov]; Kataoka, Mark[Kataoka.Mark@epa.gov]; Simon, Karl[Simon.Karl@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]; Moran, Robin[moran.robin@epa.gov]; Alson, Jeff[alson.jeff@epa.gov]; Cook, Leila[cook.leila@epa.gov]
From: Hengst, Benjamin
Sent: Tue 3/21/2017 8:07:32 PM
Subject: RE: Final OTAQ draft of 2 page document for EPA Administrator regarding the light-duty GHG MTE and the CAFE standards

Thanks. I'll pass it along to Sarah. Ben

From: Charmley, William
Sent: Tuesday, March 21, 2017 3:59 PM
To: Hengst, Benjamin <Hengst.Benjamin@epa.gov>
Cc: Orlin, David <Orlin.David@epa.gov>; Kataoka, Mark <Kataoka.Mark@epa.gov>; Simon, Karl <Simon.Karl@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Alson, Jeff <alson.jeff@epa.gov>; Cook, Leila <cook.leila@epa.gov>
Subject: Final OTAQ draft of 2 page document for EPA Administrator regarding the light-duty GHG MTE and the CAFE standards

Ben –

Here's the final draft. I believe this is ready to be sent to Sarah.

Bill

To: Charmley, William[charmley.william@epa.gov]
Cc: Olechiw, Michael[olechiw.michael@epa.gov]; Lieske, Christopher[lieske.christopher@epa.gov]; Simon, Joseph[Simon.Joseph@epa.gov]
From: Moran, Robin
Sent: Thur 3/16/2017 6:26:38 PM
Subject: RE: Draft Response to MTE Controls

We sorted that out already. Once I told Ben we already had this letter as a control, he and Julia were happy to let us do the drafting.

If there's some fancier language that needs added to the Congressional one, we can worry about that later. I wanted us to agree of the basic response.

-----Original Message-----
From: Charmley, William
Sent: Thursday, March 16, 2017 2:21 PM
To: Moran, Robin <moran.robin@epa.gov>
Cc: Olechiw, Michael <olechiw.michael@epa.gov>; Lieske, Christopher <lieske.christopher@epa.gov>; Simon, Joseph <Simon.Joseph@epa.gov>
Subject: Re: Draft Response to MTE Controls

Robin

Late yesterday Ben told me that someone on his staff was going to take a cut at a response. Ben was only talking about a congressional control.

I told him we had several additional controls, not just Congressional.

Ben told me he was going to have his staff person reach out to you. I apologize, I cannot remember her name right now.

Ex. 5 - Deliberative Process

Thanks
Bill

Sent from my iPhone

> On Mar 16, 2017, at 1:21 PM, Moran, Robin <moran.robin@epa.gov> wrote:
>
> Bill,
>
> Chris drafted the attached response letter, which we would plan to use uniformly for all the incoming letters regarding the MTE final determination. Our intention was to keep this short and factual simply citing the FR Notice. Please let us know if you have any comments.
>
> Dear___:
>

Ex. 5 - Deliberative Process

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>
>
> From: Lieske, Christopher
> Sent: Thursday, March 16, 2017 11:54 AM
> To: Moran, Robin <moran.robin@epa.gov>
> Subject: Response letter
>
> Robin –
>
> A draft response is attached. At this point, it is written generally enough that it could be used for all responses.
>
> The incoming letters are also attached for reference. They are:
>
> 4817 – Alliance
> 4822 – Global
> 5562 – Env. NGOs
> 5588 – 40 Investors (Walden Asset Management)
> 5589 – BICEP
> 5768 – 12 U.S. Senators
>
> <MTE reconsideration response letter.docx>
> <AX-17-000-4817 Correspondence.pdf>
> <AX-17-000-4822 Correspondence.pdf>
> <AX-17-000-5562 Correspondence.pdf>
> <AX-17-000-5588 Correspondence.pdf>
> <AX-17-000-5589 Correspondence.pdf>
> <AL-17-000-5768 Correspondence.pdf>

To: Charmley, William[charmley.william@epa.gov]
Cc: Olechiw, Michael[olechiw.michael@epa.gov]; Lieske, Christopher[lieske.christopher@epa.gov]; Simon, Joseph[Simon.Joseph@epa.gov]
From: Moran, Robin
Sent: Thur 3/16/2017 5:21:23 PM
Subject: Draft Response to MTE Controls
MTE reconsideration response letter.docx
AX-17-000-4817 Correspondence.pdf
AX-17-000-4822 Correspondence.pdf
AX-17-000-5562 Correspondence.pdf
AX-17-000-5588 Correspondence.pdf
AX-17-000-5589 Correspondence.pdf
AL-17-000-5768 Correspondence.pdf

Bill,

Chris drafted the attached response letter, which we would plan to use uniformly for all the incoming letters regarding the MTE final determination. Our intention was to keep this short and factual simply citing the FR Notice. Please let us know if you have any comments.

Dear___:

Ex. 5 - Deliberative Process

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Sent: Thursday, March 16, 2017 11:54 AM
To: Moran, Robin <moran.robin@epa.gov>
Subject: Response letter

Robin –

A draft response is attached. At this point, it is written generally enough that it could be used for all responses.

The incoming letters are also attached for reference. They are:

4817 – Alliance

4822 – Global

5562 – Env. NGOs

5588 – 40 Investors (Walden Asset Management)

5589 – BICEP

5768 – 12 U.S. Senators

To: Charmley, William[charmley.william@epa.gov]; Sargeant, Kathryn[sargeant.kathryn@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]
From: Moran, Robin
Sent: Thur 3/16/2017 4:46:03 PM
Subject: Web correction of Bill's phone #

The web team has noted the correct phone # in both the FR pre-pub disclaimer, as well as beside the FR link itself. While we aren't allowed to make this change the actual pre-pub FR version, Tia is planning to request this change during the Office of Federal Register's review.

- Federal Register Notice: Notice of Intention to Reconsider the Final Determination of the Mid-Term Evaluation of Greenhouse Gas Emissions Standards for Model Year 2022-2025 Light Duty Vehicles (PDF) (5 pp, 166 K, pre-publication, About PDF)
- FR Notice Correction: The EPA contact number listed in this notice contains a typo. The correct phone number is (734) 214-4466.

The Secretary of the Department of Transportation, Elaine Chao, and the Administrator of the Environmental Protection Agency, Scott Pruitt, signed the following Notice on March 13, 2017 and we are submitting it for publication in the Federal Register. While we have taken steps to ensure the accuracy of this Internet version of the notice, it is not the official version of the notice. Please refer to the official version in a forthcoming Federal Register publication, which will appear on the Government Printing Office's FDSys website (www.gpo.gov/fdsys/search/home.action). Once the official version of this document is published in the Federal Register, this version will be removed from the Internet and replaced with a link to the official version.
Correction: The EPA contact number listed in this notice contains a typo. The correct phone number is (734) 214-4466.

6560-50-P

DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

49 CFR Parts 523, 531, 533, 536 and 537

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 86 (§ 86.1818-12(c))

[FRL–XXXX–XX–XXX]

From: Liao, Shan
Sent: Thursday, March 16, 2017 12:04 PM
To: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>
Cc: Suarez, Patricia <suarez.patricia@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Levin, David <Levin.David@epa.gov>
Subject: the page is published also. -- RE: the updated pre-publication is re-posted and live. -- RE: Can you please update the Pre-publication PDF, then I will re-post to CMS? --RE: Web correction for the FR Notice Bill's phone #

The page is published: https://www.epa.gov/regulations-emissions-vehicles-and-engines/midterm-evaluation-light-duty-vehicle-greenhouse-gas-ghg

Shan

From: Birgfeld, Erin
Sent: Thursday, March 16, 2017 12:00 PM
To: Liao, Shan <Liao.Shan@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>
Cc: Suarez, Patricia <suarez.patricia@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Levin, David <Levin.David@epa.gov>
Subject: RE: the updated pre-publication is re-posted and live. --RE: Can you please update the Pre-publication PDF, then I will re-post to CMS? --RE: Web correction for the FR Notice Bill's phone #

Thank you Shan. This is good to post live.

From: Liao, Shan
Sent: Thursday, March 16, 2017 11:58 AM
To: Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>; Birgfeld, Erin <Birgfeld.Erin@epa.gov>
Cc: Suarez, Patricia <suarez.patricia@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Levin, David <Levin.David@epa.gov>

Subject: the updated pre-publication is re-posted and live. --RE: Can you please update the Pre-publication PDF, then I will re-post to CMS? --RE: Web correction for the FR Notice Bill's phone #

Dear All,

The updated pre-publication is re-posted live:
https://www.epa.gov/sites/production/files/2017-03/documents/cafe-joint-notice-dot-epa-2017-03-13.pdf

Please advise whether I can also publish the updated page (with the FR correction note), https://wcms.epa.gov/node/162119/revisions/506889/view .

Shan Liao
Task Order Manager & Web Librarian
NVFEL Library, operated by:
Arctic Slope Mission Services, LLC (ASMS)
2000 Traverwood Drive
Ann Arbor, MI 48105
734-214-4435 - Phone
734-214-4525 - Fax
liao.shan@epa.gov

Tell us how we're doing - rate our customer service!

http://www.surveymonkey.com/s/epalibsurvey

From: Dietrich, Gwen
Sent: Thursday, March 16, 2017 11:26 AM
To: Sutton, Tia <sutton.tia@epa.gov>; Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>
Cc: Suarez, Patricia <suarez.patricia@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Levin, David <Levin.David@epa.gov>
Subject: RE: Can you please update the Pre-publication PDF, then I will re-post to CMS? --RE: Web correction for the FR Notice Bill's phone #

Everyone,

Here is the corrected version.

cafe-joint-notice-dot-epa-2017-03-13.pdf

File is 149 KB and 5 pages

Gwen Dietrich

Communications/Graphic Design Specialist

Senior Service America, Inc. (Grantee)

Supporting the Office of Transportation and Air Quality

U.S. Environmental Protection Agency

734-214-4639

From: Sutton, Tia
Sent: Thursday, March 16, 2017 11:13 AM
To: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>
Cc: Suarez, Patricia <suarez.patricia@epa.gov>; Moran, Robin <moran.robin@epa.gov>
Subject: RE: Can you please update the Pre-publication PDF, then I will re-post to CMS? --RE: Web correction for the FR Notice Bill's phone #

As long as this doesn't violate any web posting rules to have a correction in the disclaimer, I personally agree that it makes sense to have the correction both in the disclaimer (and in red font, as well) and on the webpage itself.

From: Birgfeld, Erin
Sent: Thursday, March 16, 2017 10:54 AM
To: Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>
Cc: Suarez, Patricia <suarez.patricia@epa.gov>; Moran, Robin <moran.robin@epa.gov>
Subject: RE: Can you please update the Pre-publication PDF, then I will re-post to CMS? --RE: Web correction for the FR Notice Bill's phone #

HI Gwen,

I adjusted the location of the correction so it is inside the disclaimer language. Tia can you let me know if this is OK to do? If so Gwen can finalize for the web. We can also highlight on the web page itself.

Thanks,

Erin

From: Dietrich, Gwen
Sent: Thursday, March 16, 2017 10:40 AM
To: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>
Cc: Suarez, Patricia <suarez.patricia@epa.gov>; Moran, Robin <moran.robin@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Levin, David <Levin.David@epa.gov>
Subject: RE: Can you please update the Pre-publication PDF, then I will re-post to CMS? --RE: Web correction for the FR Notice Bill's phone #

Phone number has been corrected, read for posting.

Attached:

cafe-joint-notice-dot-epa-2017-03-13.pdf

File is 146 KB and 5 pages.

Gwen Dietrich

Communications/Graphic Design Specialist

Senior Service America, Inc. (Grantee)

Supporting the Office of Transportation and Air Quality

U.S. Environmental Protection Agency

734-214-4639

From: Birgfeld, Erin
Sent: Thursday, March 16, 2017 10:22 AM
To: Liao, Shan <Liao.Shan@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>
Cc: Suarez, Patricia <suarez.patricia@epa.gov>; Moran, Robin <moran.robin@epa.gov>
Subject: RE: Can you please update the Pre-publication PDF, then I will re-post to CMS? --RE: Web correction for the FR Notice Bill's phone #

Thanks to you both!

From: Liao, Shan
Sent: Thursday, March 16, 2017 10:13 AM
To: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>
Cc: Suarez, Patricia <suarez.patricia@epa.gov>; Moran, Robin <moran.robin@epa.gov>
Subject: Can you please update the Pre-publication PDF, then I will re-post to CMS? --RE: Web correction for the FR Notice Bill's phone #

Dear Gwen,

I understand that the phone number correct is needed in the pre-publication PDF file (https://www.epa.gov/sites/production/files/2017-03/documents/cafe-joint-notice-dot-epa-2017-03-13.pdf) . (please see Robin's email below for details.)

Could you please correct the PDF and send back to me? (If I shall fix the typo on PDF by myself, please feel free to let me know. I will do it then.)

Once I receive the updated PDF, I will re-post it to CMS.

Many thanks in advance!

Shan

From: Birgfeld, Erin
Sent: Thursday, March 16, 2017 9:59 AM
To: Liao, Shan <Liao.Shan@epa.gov>
Cc: Suarez, Patricia <suarez.patricia@epa.gov>; Moran, Robin <moran.robin@epa.gov>
Subject: FW: Web correction for the FR Notice Bill's phone #

Hi Shan,

Can you make the change below. Thank you!

-Erin

From: Moran, Robin
Sent: Thursday, March 16, 2017 9:50 AM
To: Sutton, Tia <sutton.tia@epa.gov>; Birgfeld, Erin <Birgfeld.Erin@epa.gov>
Cc: Charmley, William <charmley.william@epa.gov>; Sargeant, Kathryn <sargeant.kathryn@epa.gov>
Subject: Web correction for the FR Notice Bill's phone #

Tia, Erin, I think this correction slipped through the cracks yesterday in our flurry. To ward off phone calls to Mark Coryell's phone (what's now listed under Bill's name in the FR), can we add this Correction note below? Or something similar.

Erin – if you're good with this, please pass on to web team. Thanks! (Note, I'm popping out of the office for a bit till ~12 noon).

The Midterm Evaluation Process

On March 15, 2017 Administrator Scott Pruitt and Department of Transportation Secretary Elaine Chao announced that EPA intends to reconsider the final determination, issued on January 12, 2017, that recommended no change to the greenhouse gas standards for light duty vehicles for model years 2022- 2025. EPA now announces it will reconsider that determination in coordination with NHTSA.

This process was established as a part of the 2012 final greenhouse gas emissions standards for model years 2017-2025, requiring EPA to determine no later than April 1, 2018, whether the standards for model years 2022-2025 established are appropriate. In accord with this schedule, the EPA intends to make a new Final Determination regarding the appropriateness of the standards no later than April 1, 2018.

•□□□□□□□□ Federal Register Notice: Notice of Intention to Reconsider the Final Determination of the Mid-Term Evaluation of Greenhouse Gas Emissions Standards for Model Year 2022-2025 Light Duty Vehicles (PDF) (5 pp, 166 K, pre-publication, About PDF)

"Correction: The EPA contact number listed in this notice contains a typo. The correct phone number is (734) 214-4466."

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•□□□□□□□□ Alliance of Auto Manufacturers Letter to Administrator Pruitt EXIT

From: Sutton, Tia
Sent: Wednesday, March 15, 2017 1:13 PM
To: Moran, Robin <moran.robin@epa.gov>
Cc: Hengst, Benjamin <Hengst.Benjamin@epa.gov>; Charmley, William <charmley.william@epa.gov>; Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Cook, Leila <cook.leila@epa.gov>
Subject: Re: They have the wrong phone number for William Charmley in the pre-print publication

Yep- that's not a problem at all, we've done that before.

Erin- can you ask Shan to include that note when she sends you the page to review & approve?

Sent from my iPhone

On Mar 15, 2017, at 1:11 PM, Moran, Robin <moran.robin@epa.gov> wrote:

> Since this will go on the web with the wrong phone number, could we add Correction note to the web: such as: "Correction: The EPA contact number listed below contains a typo. The correct phone number is (734) 214-4466."

> **From:** Sutton, Tia
> **Sent:** Wednesday, March 15, 2017 1:04 PM

To: Hengst, Benjamin <Hengst.Benjamin@epa.gov>
Cc: Charmley, William <charmley.william@epa.gov>; Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Cook, Leila <cook.leila@epa.gov>
Subject: Re: They have the wrong phone number for William Charmley in the pre-print publication

Hi Bill,

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-Tia

Sent from my iPhone

On Mar 15, 2017, at 12:24 PM, Hengst, Benjamin <Hengst.Benjamin@epa.gov> wrote:

Got it—we'll see if we can get it fixed in the publication version

From: Charmley, William
Sent: Wednesday, March 15, 2017 12:13 PM
To: Hengst, Benjamin <Hengst.Benjamin@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>
Cc: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Cook, Leila <cook.leila@epa.gov>
Subject: They have the wrong phone number for William Charmley in the pre-print publication

Ben and Tia,

The pre-print version has the following for my phone number under the contacts:

734-214-4446

This is not my desk number. This is the desk number for Mark Coryell, who is the local EPA Union representative here in Ann Arbor.

My desk number is

734-214-4466

If there is any possibility to get this fixed that would be nice. Mark has nothing to do with this subject.

Thanks

Bill

To: Moran, Robin[moran.robin@epa.gov]; Sutton, Tia[sutton.tia@epa.gov]
Cc: Charmley, William[charmley.william@epa.gov]; Sargeant, Kathryn[sargeant.kathryn@epa.gov]
From: Birgfeld, Erin
Sent: Thur 3/16/2017 2:01:37 PM
Subject: RE: Web correction for the FR Notice Bill's phone #

Thanks Robin. Let's definitely spare poor Mark!

From: Moran, Robin
Sent: Thursday, March 16, 2017 9:50 AM
To: Sutton, Tia <sutton.tia@epa.gov>; Birgfeld, Erin <Birgfeld.Erin@epa.gov>
Cc: Charmley, William <charmley.william@epa.gov>; Sargeant, Kathryn <sargeant.kathryn@epa.gov>
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Subject: Re: They have the wrong phone number for William Charmley in the pre-print publication

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Cc: Charmley, William <charmley.william@epa.gov>; Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Cook, Leila <cook.leila@epa.gov>
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Thanks

Bill

To: Sutton, Tia[sutton.tia@epa.gov]; Birgfeld, Erin[Birgfeld.Erin@epa.gov]
Cc: Charmley, William[charmley.william@epa.gov]; Sargeant, Kathryn[sargeant.kathryn@epa.gov]
From: Moran, Robin
Sent: Thur 3/16/2017 1:50:25 PM
Subject: Web correction for the FR Notice Bill's phone #

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734-214-4466

If there is any possibility to get this fixed that would be nice. Mark has nothing to do with this subject.

Thanks

Bill

To: Charmley, William[charmley.william@epa.gov]; Simon, Karl[Simon.Karl@epa.gov]; Snapp, Lisa[snapp.lisa@epa.gov]; Alson, Jeff[alson.jeff@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]; Bolon, Kevin[Bolon.Kevin@epa.gov]; Yanca, Catherine[yanca.catherine@epa.gov]; Hula, Aaron[Hula.Aaron@epa.gov]
From: Moran, Robin
Sent: Thur 3/16/2017 12:03:29 PM
Subject: SAFE on MTE reopen

Another opinion piece by Robbie Diamond with optimism on collaboration in restarting this process. Including a quote from a senior WH official:

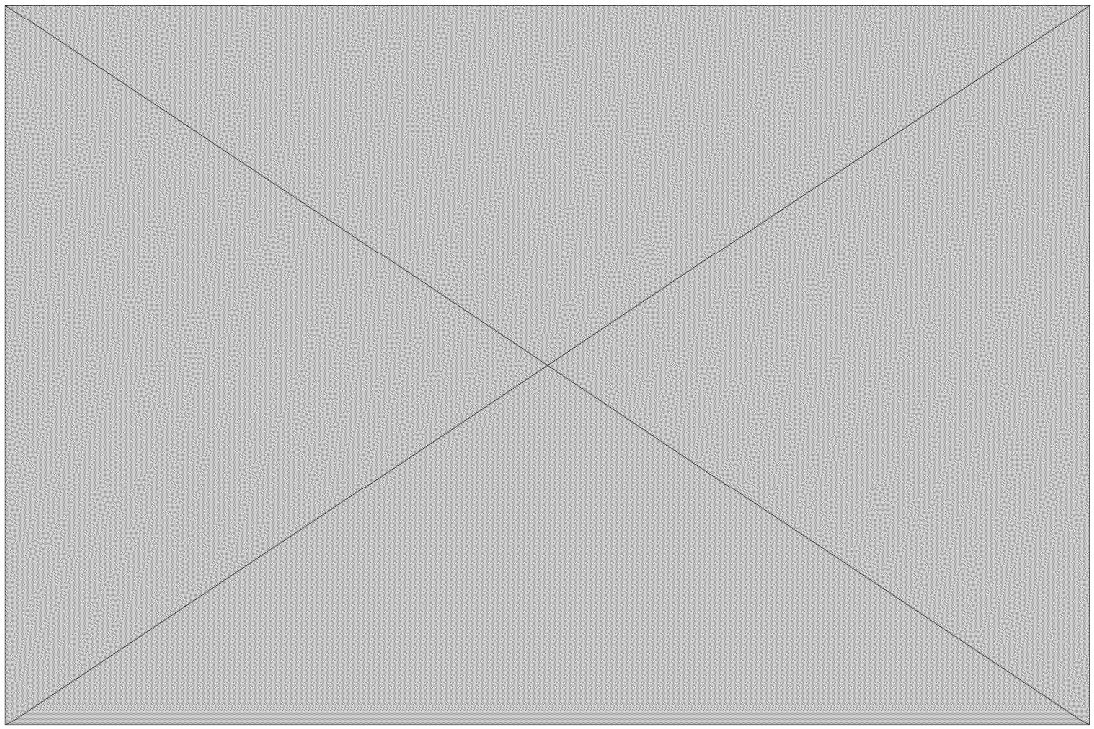
A senior White House energy official, speaking yesterday to reporters, expressed little interest in picking a fight. He stated, *"Will we be prohibiting states from setting their own higher fuel standards? In 2018 we are going to have to work with California. Fourteen other states are following California, so we are hoping that as we go through this process California will be a partner and we can figure this out—but that's a long way down the road. We welcome California to the table."*

Since he's been so outspoken on this in recent weeks, seems like we should sit down with him. Bill/Karl – thoughts? I know Chris has met with him one-on-one a couple times. Maybe that conversation could happen first. Then it would be good to sit down with his team (they visited Ann Arbor back in 2015), especially to pick their brains on the ideas they've floated about incorporating some assessment of CAVs/ride sharing into our analysis.

From: Robbie Diamond [mailto:Info@secureenergy.org]
Sent: Wednesday, March 15, 2017 6:42 PM
To: Moran, Robin <moran.robin@epa.gov>
Subject: Objects In Mirror Are Closer Than They Appear

Objects In Mirror Are Closer Than They Appear

Securing America's Future Energy | 1111 19th Street, NW, Suite 406 | Washington, DC | 202-461-2360 | info@secureenergy.org



Over the past week, we at SAFE have taken an active role asserting our views on the best way forward for fuel economy standards in light of the Trump administration's reopening of the mid-term evaluation. SAFE understands that today's announcement is simply a return to the original timeline, and more importantly, that the interests of all stakeholders are more closely aligned than they may appear. The review could lead to even greater transportation efficiency and larger reductions in oil dependence in the longer term.

A battle between the White House, California, and the auto industry is surely possible, but we're still early enough in this process to not only keep things on track but fundamently improve these critical regulations. What matters is that everyone remained focused on the nation's interests—ending oil dependence while strengthening our industry, creating jobs, safeguarding air and water, and improving national security. This is the reason we started last week with an OpEd in The Detroit News by Generals Conway and McKiernan that laid out a step-by-step deal that would benefit all the parties. As I told the press yesterday, "There's no reason for environmentalists, automakers, and conservatives to risk a nuclear war over these rules, which will result in zero progress for all sides."

To learn more about SAFE's proposal, read our issue brief with more details on our position, and our comments today in Reuters, Politico, and the Financial Times.

Finally, I would like to share some quotes from the relevant parties that show a collective willingness to collaborate.

A senior White House energy official, speaking yesterday to reporters, expressed little interest in picking a fight. He stated, *"Will we be prohibiting states from setting their own higher fuel standards? In 2018 we are going to have to work with California. Fourteen other states are following California, so we are hoping that as we go through this process California will be a*

partner and we can figure this out—but that's a long way down the road. We welcome California to the table."

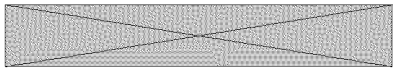
Meanwhile, California's top air-quality regulator Mary Nichols told Bloomberg, *"We're not going to refuse to participate in the newly-reopened review process. We'll be there and we'll be active. We have the technical and legal ability to run a program that recognizes where electrification of vehicles is headed. We're trying to put together a mix of incentives and regulations to move the entire industry in this direction. This is what we're going to do."*

As for industry, Mitch Bainwol President and CEO of the Auto Alliance, says, *"President Trump agreed, and now we will get back to work with EPA, NHTSA, CARB and other stakeholders in carefully determining how we can improve mileage and reduce carbon emissions while preserving vehicle safety, auto jobs and affordable new cars and trucks."*

Michigan Congresswoman Debbie Dingell also put it well. *"My goal is to bring permanent peace between California, Michigan and the rest of the country and have everybody working together toward strong fuel economy standards. That was the beauty of the process that President Obama established and the agreement that was reached."*

Stay tuned as we continue our work to end America's oil dependence through smart policy and political compromise. Thank you for staying engaged and I look forward to keeping you updated on our progress.

Regards,



Robbie Diamond
President and CEO
Securing America's Future Energy

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To: Charmley, William[charmley.william@epa.gov]; Moran, Robin[moran.robin@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]; Alson, Jeff[alson.jeff@epa.gov]; Hula, Aaron[Hula.Aaron@epa.gov]; Simon, Karl[Simon.Karl@epa.gov]; Hengst, Benjamin[Hengst.Benjamin@epa.gov]; Snapp, Lisa[snapp.lisa@epa.gov]
Cc: Grundler, Christopher[grundler.christopher@epa.gov]
From: Birgfeld, Erin
Sent: Wed 3/15/2017 9:26:42 PM
Subject: MTE Clips

Hi All – a few MTE clips from key outlets:

Big win for automakers as Trump orders fuel economy standards review (Reuters)

http://www.reuters.com/article/us-usa-trump-autos-idUSKBN16M2C5

By Nick Carey and David Shepardson | DETROIT/WASHINGTON

U.S. President Donald Trump on Wednesday ordered a review of tough U.S. vehicle fuel-efficiency standards put in place by the Obama administration, handing a victory to auto industry executives and provoking criticism from Democrats and environmental groups.

In a move that is widely seen as a preamble to loosening fuel standards, Trump told an audience of cheering union workers, he would "ensure that any regulations we have protect and defend your jobs, your factories," and promised he would encourage growth in the U.S. auto sector.

"The assault on the American auto industry is over," Trump said, standing in front of a banner that read "Buy American-Hire American." Trump added he plans "a very big announcement next week regarding your industry," but did not say what that would be.

The backdrop and message underscored Trump's efforts to lock down support in industrial states such as Michigan that put him in the White House. Trump spoke at the site of the former Willow Run bomber factory in Ypsilanti, Michigan, which won fame for building an operational B-24 heavy bomber every 59 minutes during the Second World War. Now, the site is being redeveloped as a testing ground for autonomous vehicles.

At a roundtable with industry leaders Trump made clear he expected automakers to hire more Americans in return, a theme that dominated his election campaign.

"We're going to do some wonderful work with you but you're going to have to help us with jobs," he said.

Trump's event was attended by around 1,000 people, including automotive executives, United Auto Workers union President Dennis Williams - who sat next to Trump - and workers from Detroit's "Big Three" automakers: General Motors Co (GM.N), Ford Motor Co (F.N) and Fiat Chrysler Automobiles NV (FCA) (FCHA.MI) (FCAU.N). Automakers lined up examples of vehicles they build in the United States for the president to see.

Auto industry executives have said they are hopeful the Trump administration will pursue tax and regulatory policies that would benefit U.S. manufacturers.

Reopening the fuel efficiency rules put in place by Democratic President Barack Obama just a few weeks before he left office is one of the top items on the industry's agenda. Automakers, through their lobbying groups, have said the Obama rules were too expensive and could cost American jobs.

“These standards are costly for automakers and the American people,” said Environmental Protection Agency Administrator Scott Pruitt. “We will work with our partners at DOT to take a fresh look to determine if this approach is realistic," he said, referring to the Department of Transportation.

After one participant in Wednesday's meetings mentioned environmental concerns, Trump said he agreed but did not want an "extra thimbleful of fuel" to get in the way of growth.

Automakers are wary of being seen as out of touch with environmental concerns, or unwilling to invest in new technology. Ford, for example, used its Twitter account on Wednesday to highlight previously announced commitments to develop electric vehicles.

It could take a year for the review process to play out, and Wednesday's event was effectively a starting gun for intense lobbying efforts over how government policy will drive technology investment decisions in the auto sector.

Critics like Democratic U.S. Senator Edward Markey of Massachusetts said Trump's move could hurt consumers.

"Filling up their cars and trucks is the energy bill Americans pay most often, but President Trump's roll-back of fuel economy emissions standards means families will end up paying more at the pump," Markey added.

The president is not seeking to revoke California's authority to set vehicle efficiency rules even stricter than federal rules, including mandated sales of electric vehicles, as part of this move, a White House official said. The official did not rule out seeking to

withdraw California's authority in the future. Pruitt, an ally of the fossil fuel industry, would not commit during his Senate confirmation hearing to allowing California to continue its own clean vehicle rules.

California's attorney general late Tuesday filed legal papers in a federal court defending the Obama administration's decision to finalize the determination in January.

The Obama administration's rules, negotiated with automakers in 2012, were aimed at doubling average fleetwide fuel efficiency to 54.5 miles per gallon by 2025, although the real-world mileage figures would be lower.

'THOUGHTFUL AND COORDINATED'

Automotive industry executives and lobbying groups were quick to praise the administration's announcement.

"The Trump administration has created an opportunity for decision-makers to reach a thoughtful and coordinated outcome predicated on the best and most current data," said Mitch Bainwol, chief executive of the AutoAlliance, an industry lobby group.

Automakers have signaled they want the government to give manufacturers more credit toward achieving fuel efficiency targets for technologies such as "stop-start" systems that shut down a car's engine at a traffic light.

Regulators should also look at whether ride hailing and vehicle-to-vehicle communications systems designed to prevent accidents and alleviate road congestion could be counted toward the industry's greenhouse gas emissions goals, the Alliance for Automobile Manufacturers proposed in comments to the EPA last year. The group represents a dozen automakers, including GM, Ford and FCA.

Under the 2012 agreement with the industry, the EPA was given until April 2018 to decide whether the standards were feasible under a "midterm review," but the agency moved up its decision to a week before Obama left office in a bid to maintain a key part of his administration's environmental legacy.

An EPA analysis indicated that compared with previous rules, the 2025 standards would result in savings of between $1,460 and $1,620 over the lifetime of a vehicle and payback for new technology required to meet the new standards of around five years.

What lower gas-mileage standards would mean for car and gas prices (USAToday)

The stage is set for a possible rollback in fuel-economy standards as President Trump is expected to order a review that takes aim at stiffer requirements implemented by the Obama administration.

Here's a look at the potential implications of lower gas-mileage requirements, known as corporate average fuel economy (CAFE):

The environment: Lower fuel economy translates into higher carbon emissions. That contributes directly to climate change, which scientists blame for rising sea levels, extreme weather, harsher agricultural conditions, biodiversity loss and health concerns.

Obama cited concerns about climate change as one of the key reasons why higher fuel economy standards are necessary.

Higher gas mileage means lower petroleum consumption. To be sure, there is ample evidence that people drive more when gas is less expensive.

Miles driven in the U.S. increased for a sixth consecutive year in 2016, topping 3.2 trillion miles, according to the Federal Highway Administration. In 2016, the average price of gasoline declined for a fourth consecutive year, plunging to $2.13 per gallon nationwide, according to GasBuddy.

But the Union of Concerned Scientists, which advocates for policies to combat climate change, estimated that the U.S. would save 3 million barrels of oil per day by 2030 if current fuel-economy standards remain in place.

Vehicle design: Vehicles are getting bigger, in part because consumers are embracing crossovers, sport-utility vehicles and pickup trucks with gasoline at low levels. Expect this trend to continue. Technological improvements have also made these vehicles more fuel-efficient, narrowing the gap with cars and removing the incentive for choosing a smaller vehicle.

One key question is whether automakers will still pursue alternative powertrain vehicles such as hybrids and electric cars if fuel economy standards are rolled back.

If sales of those products remain sluggish, they may fade from view. But that's not inevitable for multiple reasons. One factor to keep in mind is the impact of foreign markets on U.S. products. No one expects foreign markets to lessen fuel economy standards — and amid a market in which vehicles are often designed for global distribution, it's unlikely automakers will suddenly abandon alternative powertrain vehicles for the American market.

Plus, there's a competitive factor. Automakers don't want to be caught empty-handed if and when consumers eventually demand electric cars, hydrogen vehicles or other alternative powertrain models.

"Our industry is committed to producing even safer and more energy-efficient vehicles in the future and that's what this process is all about," said Mitch Bainwol, CEO of the Auto Alliance, which lobbies in Washington on behalf of automakers and supports Trump's review of CAFE standards.

California: Because it's such a large market that cannot be ignored, California has retained a significant influence on automakers.

The state has implemented regulations requiring automakers to sell fuel-efficient and alternative-powertrain vehicles, setting a higher environmental benchmark for the industry than the Environmental Protection Agency.

A White House official said the EPA's new review of fuel economy standards won't challenge the waivers held by California and other states that allow them to impose even tougher emission-cutting requirements on vehicles than required under the federal regulations.

But Trump could reverse course and attempt to undermine those regulations, potentially weakening the state's outsized impact on the auto industry.

Still, "California can effectively counter a move to roll back the federal standards by retaining and even strengthening its own standards, creating dueling systems of emission control that would be unworkable for the industry," former Obama EPA official Bob Sussman wrote in February for the Brookings Institution.

Profits: The automakers are pursuing looser fuel economy restrictions because they're concerned that Obama's planned escalation would require them to manufacture fuel-efficient small cars that consumers don't want to buy.

What's more, bigger, less-fuel-efficient vehicles are generally more profitable. The more automakers sell, the better for the bottom line.

Eighteen automotive manufacturers wrote a letter to Trump in February asking him to review Obama's EPA standards.

"Any reversal of the existing status would be positive for" automakers, Evercore ISI analyst Arndt Ellinghorst said Tuesday in a research note.

Vehicle prices: Industry experts generally agree that average vehicle prices will increase if current fuel economy standards remain in place through 2025.

That's because higher CAFE standards will require automakers to adopt new powertrain technologies that are more expensive to the consumer, such as electric vehicles that, despite their promise, are still expensive for the average shopper.

David Cole, chairman emeritus of the Center for Automotive Research, said that automakers have exhausted most of the cost-effective ways to improve fuel economy, including weight reduction, tire improvements and aerodynamic design.

"The economics are a big deal and this is what really concerns the industry," Cole said in an interview. "You add too much to the cost of a vehicle, they're hard to sell."

Fuel costs: It's indisputable that higher fuel economy requirements would save consumers money at the pump.

The Consumers Union, the policy arm of Consumer Reports, said in a recent report that the average buyer of a 2015 model-year vehicle spent $523 less on gasoline than for a 2005 vehicle.

The question is whether those savings would offset potentially higher prices.

"Weakening the standard now would mean consumers would lose out on some of those savings," Consumers Union policy counsel Shannon Baker-Branstetter said in a statement. "For middle-class families struggling to pay bills, raising costs at the pump is a bad deal."

Jobs: Here's where it gets particularly tricky.

The Center for Automotive Research concluded in a September report that in eight out of nine scenarios, the U.S. economy would lose auto manufacturing jobs if current standards stay in place. The researchers analyzed three price levels for gasoline, based on U.S. Energy Information Administration projections — $2.44, $3 and $4.64. They matched that with three different estimates for the average cost per vehicle required to meet the CAFE mandates — $2,000, $4,000 and $6,000.

The Center for Automotive Research has historically received some funding from the auto industry but said this study was independently funded,

But the BlueGreen Alliance, which represents union and environmental interests, warned Tuesday that the U.S. has more than 1,200 facilities in 48 states manufacturing "key technologies that go into meeting fuel-economy standards."

"Effective, long-term standards are critical to maintaining robust advanced technology investment, innovation, and job growth, as well as to continuing to position the domestic industry as a global leader," the organization said in a December report.

Follow USA TODAY reporter Nathan Bomey on Twitter @NathanBomey.

U.S. won't seek to roll back California vehicle authority

March 15, 2017 @ 6:42 am

David Shepardson

Reuters

UPDATED: 3/15/17 3:29 pm ET - adds details

WASHINGTON -- President Donald Trump said the EPA will **revive a review of the feasibility** of strict fuel efficiency standards through 2025, but did not withdraw California's authority to set its own vehicle rules.

The president announced the review on Wednesday during an appearance in Michigan.

Earlier, a White House official briefing reporters said the Trump administration will spend the next year working on the review to determine if the 2022-25 model-year rules are feasible. The administration has made no decisions on how or if the standards should be revised.

But the Trump administration is not picking an immediate fight with California, which has long drawn the ire of automakers for setting more aggressive environmental vehicle rules, including requiring zero-emission cars.

In 2012, California, the most populous U.S. state, agreed to harmonize its vehicle emissions rules with Obama administration rules that were aimed at doubling average fleetwide fuel efficiency to 54.5 mpg by 2025. Thirteen other states have adopted California rules that account for about 40 percent of U.S. vehicle sales.

California has a waiver under the Clean Air Act to set its own vehicle rules and has said it would vigorously fight any effort to revoke it. The administration official did not rule out a potential effort to restrict California's authority at a future date but said the White House hoped to work collaboratively with the state on the review.

Securing America's Energy Future, a nonpartisan group of energy advocates and retired military leaders, urged the federal government, California and others to work together.

"There's no reason for environmentalists, automakers and conservatives to risk a nuclear war over these rules, which will result in zero progress for all sides," said SAFE's chief executive, Robbie Diamond.

In Michigan, Trump met with CEOs from General Motors, Ford Motor Co. and Fiat Chrysler Automobiles and top U.S. executives from Toyota Motor Corp., Daimler AG and others. He addressed hundreds of cheering autoworkers who attended the rally-like event.

EPA had had until April 2018 to decide whether the standards were feasible under a "midterm review," but moved up its decision to a week before President Barack Obama left office in January.

Automakers argue the vehicle emissions rules will impose significant costs

and are out of step with consumer preferences. They say they need more flexibility to meet the rules amid low gas prices.

Environmentalists say the rules reduce fuel costs and greenhouse gases, and they have vowed to sue if the Trump administration weakens them.

Q&A: Change to fuel economy standards could impact consumers (WaPo/AP)

By Dee-Ann Durbin | AP March 15 at 3:36 PM

DETROIT — President Donald Trump plans to re-examine federal fuel economy requirements for new cars and trucks.

The requirements were a centerpiece of President Barack Obama's strategy to combat global warming. But Trump appears to be making good on a pledge to car company CEOs to reduce "unnecessary regulations."

Here's what's happening:

—

WHAT ARE CAFE AND GHG STANDARDS?

CAFE (Corporate Average Fuel Economy) standards are mile-per-gallon targets for cars and trucks set by the U.S. government. The standards are based on size and are weighted by sales. Each manufacturer has a different requirement based on the models it sells.

Congress required the National Highway Traffic Safety Administration to develop CAFE standards in 1975 after gasoline shortages during the Arab oil embargo. The U.S. Environmental Protection Agency began regulating greenhouse gas emissions from vehicles in 2007. The agencies work together to produce CAFE standards.

The standard for passenger cars stayed at 27.5 mpg from 1990 until 2007. In 2009, the government set a fuel economy standard of 34.1 mpg for cars and light trucks by 2016. In 2012, it set a new target of 54.5 mpg by 2025. The number

can change depending on the mix of vehicles customers buy. Right now, it stands at 51.4 mpg because people are buying more SUVs and trucks.

UNDER THE CURRENT STANDARD, WOULD MY CAR GET 54.5 MPG IN 2025?

No. Manufacturers can apply credits for various fuel-saving technologies to arrive at that figure. Real-world mileage would be closer to 36 mpg.

WHAT'S HAPPENING NOW?

In the last days of the Obama administration, the EPA completed a review of the standards for model years 2022-2025 and left them unchanged, saying the car companies have many affordable options to help them comply. The industry protested, saying the review was too hasty and didn't consider the fact that gas prices have fallen and few consumers want the smallest, most fuel-efficient vehicles.

President Trump is reopening the evaluation process, which could lead to weaker standards.

WHY WOULD THE GOVERNMENT CONSIDER CHANGING THE STANDARDS?

President Trump wants automakers to expand production in the U.S. and hire more workers. In exchange, he has promised to cut regulations and taxes. Gasoline is more than $1 per gallon cheaper than it was in 2012, when the standards were issued. The low prices hurt demand for more fuel-efficient cars. If those cars don't sell, their high mileage can't be counted toward an automaker's corporate average fuel economy.

But environmental groups say weakening the standards would increase pollution and require consumers to spend more on gas.

HOW ARE AUTOMAKERS IMPROVING THEIR FUEL ECONOMY?

Manufacturers have introduced all-electric cars like the Chevrolet Bolt and increased the use of lightweight materials like aluminum. Engine technologies, such as direct fuel injection, and more efficient transmissions are also contributing. The standards give manufacturers extra credit for new technologies, such as hybrid engines for pickup trucks and stop-start systems, which automatically shut off the engine when the vehicle stops in traffic.

DO THOSE ADDED TECHNOLOGIES MAKE MY VEHICLE MORE EXPENSIVE?

Yes. In its final ruling in January, the EPA estimated the fuel economy standards will cost $875 per vehicle. A study commissioned by the Alliance of Automobile Manufacturers estimates the cost of compliance at $1,249 per vehicle. However, the EPA says the standards would save consumers up to $1,620 in gas over the life of their vehicle.

IF THE STANDARDS ARE WEAKENED, WILL THAT AFFECT WHAT KINDS OF CARS ARE AVAILABLE?

Maybe. Automakers might choose to offer fewer electric or hybrid cars in the U.S., since those are less profitable than trucks and SUVs. They also could scrap subcompact cars, which are unpopular with U.S. consumers but help meet fuel economy targets.

There are caveats. Automakers will still have to meet rising fuel economy standards in China and Europe, so they won't stop making efficient vehicles. If gas prices rise, U.S. consumers might demand more fuel-efficient cars. Finally, California and other blue states have a history of passing stricter standards than the rest of the country. If that continues, automakers would have to keep their most fuel-efficient models in U.S. showrooms, since California is the biggest market in the U.S.

Trump pumps brakes on Obama-era fuel efficiency standards (FOX News)

By **Barnini Chakraborty**

Published March 15, 2017

Trump announced Wednesday that his administration would re-examine Obama-era fuel efficiency rules for cars and trucks, during a visit to the heart of the U.S. auto industry.

After meeting with auto CEOs and union leaders, Trump announced his plan at the American Center for Mobility in Ypsilanti, Mich., outside Detroit. He told the crowd his administration will “help the companies” that in turn “are going to help you.”

“There is no more beautiful sight than an American-made car,” Trump said. “We want to be the car capital of the world again.”

Trump announced he's putting a midterm review of fuel efficiency standards back on track, giving officials another year to study the issue before setting new standards in 2018.

CAFE emissions targets were at the heart of former President Barack Obama’s multi-year strategy to fight climate change. Trump’s willingness to hit the brakes underscores his administration’s aim to roll back environmental rules in order to boost economic growth.

Senate Minority Leader Chuck Schumer, D-N.Y., ripped the announcement as "one of the first steps in an all-out assault by the Trump administration to dismantle important environmental protection."

Under Obama, the EPA had pushed a rule for cars and light trucks requiring a fleet-wide average of 54.5 mpg by 2025.

Back in 2012, the Obama administration set fuel-economy regulations for model years 2017-2025. The administration agreed to complete a midterm evaluation in 2018. But a week before Obama left office, then-EPA head Gina McCarthy decided to keep the stringent requirements it had set in place for model years 2022-2025.

While the Trump administration has not flat-out said it wants to weaken the standards, the president campaigned on the promise of eliminating “job-killing” regulations.

“These standards are costly for automakers and the American people,” EPA Administrator Scott Pruitt said in a written statement. “We will work with our partners at DOT to take a fresh look at determine if this approach is realistic. This thorough review will help ensure that this national program is good for consumers and good for the environment.”

Transportation Secretary Elaine Chao also applauded the decision, calling the move “a win for the American economy.”

The news isn't great for environmentalists who say the rules are working and claim they will save drivers thousands of dollars in fuel costs down the road and shouldn't be changed.

Automakers argue that the gas-mileage targets make it too expensive for the industry to produce more high-mileage cars given the consumer preference to purchase larger vehicles that are less fuel-efficient.

In 2016, car sales slipped month after month as low gas prices made buying larger vehicles more attractive.

A group of 12 manufacturers including GM and Ford has pressed the White House to roll back the Obama fuel standard targets. The new rules "threaten to depress an industry that can ill afford spiraling regulatory costs," Mitch Bainwol, chief executive of the Alliance of Automobile Manufacturers, wrote in a Feb. 27 letter to Pruitt.

Bainwol slammed the decision and reasoned it was "riddled with indefensible assumptions, inadequate analysis and a failure to engage with contrary evidence."

Bainwol's letter to Pruitt follows a separate letter to Trump from the heads of GM, Ford, Fiat Chrysler, Toyota, VW, Honda, Hyundai, Nissan asking him to reverse the rules.

Trump also told the crowd of auto workers they would be respected.

"Soon, now, already happened," he said.

After leaving Detroit, Trump was heading to Nashville to lay a wreath at former President Andrew Jackson's tomb, before holding a campaign-style rally in the city.

The Associated Press contributed to this report.

Opinion piece from March 10

The High Cost of Rolling Back

Fuel Standards

16

MARCH 10, 2017 6:30 AM EST

By

Cass R. Sunstein

A Republican president takes office, vowing to eliminate job-killing regulations issued by his Democratic predecessor. In his first weeks, the automobile industry publicly asks him to eliminate specific regulations that are, in its view, crushingly burdensome. He agrees.

Sound familiar? It should. But we're speaking of 1981, not 2017, and of Ronald Reagan's decision to repeal one of the central achievements of the Jimmy Carter administration: a rule designed to reduce highway deaths and injuries by requiring "passive restraints," such as airbags, in motor vehicles.

For fans of deregulation, the story ends badly. In 1983, the Supreme Court unanimously struck down Reagan's repeal on the ground it was arbitrary and unjustified by reasons or evidence -- a naked exercise of political power.

That's a warning for the Trump administration. Sure, the Supreme Court in coming years will not be the same as it was in 1983. But its current and future members are not likely to be comfortable with arbitrary or evidence-free decisions from federal administrators.

Reagan's ignominious defeat bears directly on what might well be the biggest regulatory controversy of the coming years. Acting in direct response to the pleas of the automobile industry, Trump's regulators appear poised to revisit a major accomplishment of the Obama administration: a fuel-economy rule intended to save both money and lives, and finalized in 2012 by the Department of Transportation and the Environmental Protection Agency.

True, deregulation is often a sensible response to unjustifiably costly federal requirements. But on the basis of the numbers, discussed at length in the government's technical analysis, the fuel-economy program looks quite solid -- and if the Trump administration concludes otherwise, it will have to offer a detailed justification, not talking points.

The program covers the period from 2017 to 2025, and it is designed to increase vehicles' average fuel economy to more than 50 miles per gallon by the final year. It was developed in close collaboration with automobile companies, and in 2012, they embraced it. (Disclosure: As administrator of the Office of Information and Regulatory Affairs, I had some involvement in the rulemaking.)

It is true that the fuel-economy program will be quite expensive, imposing annual costs of about $6.49 billion. Most of those costs will be borne by consumers, who will have to pay more for new cars. But according to the current numbers, those very consumers will ultimately be the rule's biggest beneficiaries: Because fuel-efficient vehicles are less costly to operate, people are expected to save a whopping $20.5 billion annually. On net, the annual benefit to consumers is more than $14 billion.

Putting climate change entirely to one side, you'll also find big benefits for human health, because the rule will cut emissions of both particulate matter and ozone. The result will be to reduce premature deaths, chronic bronchitis, hospital admissions for respiratory causes, and emergency admissions for asthma.

In terms of greenhouse-gas emissions, the program will also have a big impact. Over its lifetime, it is expected to eliminate the equivalent of two billion metric tons of carbon-dioxide emissions.

The technical analysis explores other effects as well, including reductions in imported oil and the impact on accidents, noise and congestion. The overall conclusion is that the program will produce annual net benefits of $19.5 billion. You can't find a lot of regulations with that kind of payoff.

An unusual feature of the program, as it was finalized in 2012, is that it called for a midterm government review in 2017, reassessing the requirements for the period from 2022-2025. (Through 2021, the program now appears to be locked in.) Because markets and technology can go in surprising directions, the idea of a midterm review makes a ton of sense.

In January, the Obama administration undertook that review and elected to retain the program as it was originally designed. In the process, it offered a painstaking and highly technical explanation of its decision.

In fact, it concluded that the progress of technology development would support even more stringent standards from 2022-2025 -- but that in view of the need for regulatory certainty, and to respect the industry's need for long-term planning, the 2012 program should not be amended.

To be sure, it is perfectly appropriate for the Trump administration to reconsider the decisions of its predecessors, and to listen carefully to those who vigorously object to regulatory requirements. But as the Supreme Court made clear in 1983, an agency can't repeal a regulation simply because it doesn't like it. It must engage with the law and the facts. And if the prior administration has offered a technical justification, the repeal must be accompanied by an explanation of why that justification is wrong.

The Trump administration might be able to offer such an explanation. For example, it might conclude that by 2025, a standard in excess of 50 miles per gallon is not feasible, or that it cannot be achieved at reasonable cost. It might reject the EPA's conclusion, in January, that consumers would ultimately be big winners, gaining $100 billion from the 2022-2025 standards. It might argue that a creative approach of its own could generate large benefits at lower cost.

But conclusions of this kind require evidence and analysis, rather than a plea from an interest group, or general skepticism about regulation and the very idea of climate change. Whether you're concerned about consumer savings, public health, energy independence, cost-benefit analysis or greenhouse-gas emissions, the fuel-economy program has a lot going for it. If the Trump administration wants to scale it back, it will have some explaining to do.

This column does not necessarily reflect the opinion of the editorial board or Bloomberg LP and its owners.

Erin Birgfeld

Communications Director

Office of Transportation and Air Quality

U.S. EPA

202-564-6741 (work)

202-255-4434 (cell)

Work Schedule:

8-6 M,T,Th

8-2:30 W,F

Flexiplace every Wed (call 202-255-4434 to reach me on Wednesday).

To: Charmley, William[charmley.william@epa.gov]
Cc: Olechiw, Michael[olechiw.michael@epa.gov]
From: Moran, Robin
Sent: Wed 3/15/2017 5:59:30 PM
Subject: web change

Bill, the web folks are being told to add this link to the Alliance letter

The Midterm Evaluation Process

On March 15, 2017 Administrator Scott Pruitt and Department of Transportation Secretary Elaine Chao announced that EPA intends to reconsider the final determination, issued on January 12, 2017, that recommended no change to the greenhouse gas standards for light duty vehicles for model years 2022- 2025. EPA now announces it will reconsider that determination in coordination with NHTSA.

This process was established as a part of the 2012 final greenhouse gas emissions standards for model years 2017-2025, requiring EPA to determine no later than April 1, 2018, whether the standards for model years 2022-2025 established are appropriate. In accord with this schedule, the EPA intends to make a new Final Determination regarding the appropriateness of the standards no later than April 1, 2018.

- Federal Register Notice: Notice of Intention to Reconsider the Final Determination of the Mid-Term Evaluation of Greenhouse Gas Emissions Standards for Model Year 2022-2025 Light Duty Vehicles (PDF) (5 pp, 166 K, pre-publication, About PDF)
- Alliance of Auto Manufacturers Letter to Administrator Pruitt Exit

Robin Moran

Senior Policy Advisor

U.S. EPA, Office of Transportation and Air Quality

2000 Traverwood Dr.

Ann Arbor, MI 48105

(734) 214-4781 (phone)

(734) 214-4821 (fax)

To: France, Jennifer[france.jennifer@epa.gov]; Sutton, Tia[sutton.tia@epa.gov]; Liao, Shan[Liao.Shan@epa.gov]
Cc: Birgfeld, Erin[Birgfeld.Erin@epa.gov]; Moran, Robin[moran.robin@epa.gov]; Suarez, Patricia[suarez.patricia@epa.gov]; Mylan, Christopher[Mylan.Christopher@epa.gov]; Levin, David[Levin.David@epa.gov]; Charmley, William[charmley.william@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]; Lieske, Christopher[lieske.christopher@epa.gov]
From: Dietrich, Gwen
Sent: Wed 3/15/2017 5:33:13 PM
Subject: RE: Question on pre-pub version of notice
cafe-joint-notice-dot-epa-2017-03-13.pdf

Everyone,

Corrected.

Attached and prepared for posting on the Web:

cafe-joint-notice-dot-epa-2017-03-13.pdf

File is 146 KB and 5 pages.

Gwen Dietrich

Communications/Graphic Design Specialist

Senior Service America, Inc. (Grantee)

Supporting the Office of Transportation and Air Quality

U.S. Environmental Protection Agency

734-214-4639

From: France, Jennifer
Sent: Wednesday, March 15, 2017 1:28 PM
To: Sutton, Tia <sutton.tia@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>
Cc: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Levin, David <Levin.David@epa.gov>; Charmley, William <charmley.william@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Lieske, Christopher <lieske.christopher@epa.gov>
Subject: RE: Question on pre-pub version of notice

Good catch Tia! Gwen is fixing it right now (it's still 3/15 on the 2nd+ pages).

From: Sutton, Tia
Sent: Wednesday, March 15, 2017 1:24 PM
To: Liao, Shan <Liao.Shan@epa.gov>
Cc: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Levin, David <Levin.David@epa.gov>; Charmley, William <charmley.william@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Lieske, Christopher <lieske.christopher@epa.gov>
Subject: Question on pre-pub version of notice

Hi all,

I'm operating by phone right now so can't easily open documents, but just wanted to check one quick thing. When the version with the updated date was sent, can someone check to make sure that the date was changed to 3/13 in both the first page disclaimer and the 2nd-thru-last page disclaimer? Gwen or David may have already caught and fixed this, but just wanted to check before we go live.

Thanks!!

-Tia

Sent from my iPhone

On Mar 15, 2017, at 10:37 AM, Liao, Shan <Liao.Shan@epa.gov> wrote:

These changes (including Erin and Robin's) are made in the draft version: https://wcms.epa.gov/node/162119/revisions/506181/view

NOTE: the linked pre-publication document is a place holder. Once this draft page and the pre-publication document are approved for posting, I will replace the document holder with the true pre-publication document.

Shan Liao
Task Order Manager & Web Librarian
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Ann Arbor, MI 48105
734-214-4435 - Phone
734-214-4525 - Fax
liao.shan@epa.gov

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From: Birgfeld, Erin
Sent: Wednesday, March 15, 2017 10:30 AM
To: Moran, Robin <moran.robin@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Levin, David <Levin.David@epa.gov>
Cc: Charmley, William <charmley.william@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Lieske, Christopher <lieske.christopher@epa.gov>
Subject: RE: Web Markup - MTE Notice

Ex. 5 - Deliberative Process Thanks.

Shan let us know when you have a draft for review.

Best,

Erin

From: Moran, Robin
Sent: Wednesday, March 15, 2017 10:28 AM
To: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Levin, David <Levin.David@epa.gov>
Cc: Charmley, William <charmley.william@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Lieske, Christopher <lieske.christopher@epa.gov>
Subject: Web Markup - MTE Notice

Ex. 5 - Deliberative Process

If there are any more changes recommended from others, could everyone please make sure I'm looped in?

Thanks!

Robin

From: Birgfeld, Erin
Sent: Wednesday, March 15, 2017 10:08 AM
To: Liao, Shan <Liao.Shan@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Levin, David <Levin.David@epa.gov>
Cc: Moran, Robin <moran.robin@epa.gov>
Subject: RE: NNTO: sure. When ever Shan receives the markup, Shan will draft it in CMS immediately.-- RE: web markup file is needed -- RE: MTE prepublication notice with web disclaimer - UPDATED

Hi Shan,

Here are the requested edits to the MTE webpage. Let me know if you have questions.

I'm adding Robin Moran for awareness and so she can review the updated page as well.

Thanks,

Erin

From: Liao, Shan
Sent: Wednesday, March 15, 2017 9:15 AM
To: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France,

Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Levin, David <Levin.David@epa.gov>
Cc: Sun, Lisa <Sun.Lisa@epa.gov>; Richards, David <Richards.David@epa.gov>
Subject: NNTO: sure. When ever Shan receives the markup, Shan will draft it in CMS immediately.-- RE: web markup file is needed -- RE: MTE prepublication notice with web disclaimer - UPDATED

From: Birgfeld, Erin
Sent: Wednesday, March 15, 2017 9:13 AM
To: Liao, Shan <Liao.Shan@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Levin, David <Levin.David@epa.gov>
Cc: Sun, Lisa <Sun.Lisa@epa.gov>; Richards, David <Richards.David@epa.gov>
Subject: RE: web markup file is needed -- RE: MTE prepublication notice with web disclaimer - UPDATED

Hi Shan,

I am having OAR comms review the markup now and expect a few changes from him. I can give you the file by 10:30. Will that work?

Thanks,

Erin

From: Liao, Shan
Sent: Wednesday, March 15, 2017 9:07 AM
To: Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Levin, David <Levin.David@epa.gov>

Cc: Sun, Lisa <Sun.Lisa@epa.gov>; Richards, David <Richards.David@epa.gov>
Subject: web markup file is needed -- RE: MTE prepublication notice with web disclaimer - UPDATED

Dear All,

Is it possible to provide me the Web markup file (which page this pre-publication is to be linked on, and the web text for this prepublication) so that I can prepare for this on the proper web page?

Many thanks in advance!

Shan Liao
Task Order Manager & Web Librarian
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734-214-4525 - Fax
liao.shan@epa.gov

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From: Dietrich, Gwen
Sent: Wednesday, March 15, 2017 9:02 AM
To: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Levin, David <Levin.David@epa.gov>
Cc: Sun, Lisa <Sun.Lisa@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>; Richards, David <Richards.David@epa.gov>
Subject: RE: MTE prepublication notice with web disclaimer - UPDATED

Everyone,

Attached and prepared for posting on the Web:

cafe-joint-notice-dot-epa-2017-03-13.pdf

File is 167 KB and 5 pages.

Gwen Dietrich

Communications/Graphic Design Specialist

Senior Service America, Inc. (Grantee)

Supporting the Office of Transportation and Air Quality

U.S. Environmental Protection Agency

734-214-4639

From: Birgfeld, Erin
Sent: Tuesday, March 14, 2017 11:31 PM
To: Sutton, Tia <sutton.tia@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Levin, David <Levin.David@epa.gov>
Cc: Sun, Lisa <Sun.Lisa@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>; Richards, David <Richards.David@epa.gov>
Subject: RE: MTE prepublication notice with web disclaimer - UPDATED
Importance: High

HI Jennifer, Gwen and David,

Please use this version of the notice. The data of signature is updated to be March 13, not March 15.

For what it is worth we anticipate going live with this around 2 pm, but stay tuned… we are likely to be getting last minute instructions.

Thank you!

-Erin

From: Sutton, Tia
Sent: Tuesday, March 14, 2017 6:08 PM
To: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Levin, David <Levin.David@epa.gov>
Cc: Sun, Lisa <Sun.Lisa@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>; Richards, David <Richards.David@epa.gov>
Subject: MTE prepublication notice with web disclaimer

Hi all,

Attached is the prepub notice for the MTE announcement that Erin emailed about earlier.

Chris and Erin- if you need to make edits to this document for any reason, I saved it on the X drive at: X:_X-drive (DC IO shared)\Rules & Notices\LD MTE\March 2017 FR Notice

Thanks!

-Tia

To: Midterm Review[Midterm_Review@epa.gov]
Cc: Charmley, William[charmley.william@epa.gov]; Birgfeld, Erin[Birgfeld.Erin@epa.gov]
From: Moran, Robin
Sent: Wed 3/15/2017 4:28:30 PM
Subject: Detroit News and Sierra Club links

I'm sure there will be many news reports and organization press statements. I'll forward as I see them.

This is Detroit News latest:

http://www.detroitnews.com/story/news/politics/2017/03/15/trump-will-offer-boost-carmakers-today/99193908/

Sierra Club statement:

http://content.sierraclub.org/press-releases/2017/03/trump-vehicle-executive-order-will-increase-gas-prices-and-carbon-pollution

From: ccyrill@nada.org [mailto:ccyrill@nada.org]
Sent: Wednesday, March 15, 2017 12:23 PM
To: Moran, Robin <moran.robin@epa.gov>
Subject: Trump Will Offer Boost for Carmakers Today

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March 15, 2017

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Inside this issue

- Trump Will Offer Boost for Carmakers Today
- Trump Won't Seek to Roll Back California Vehicle Authority
- As Trump Targets NAFTA, Car Industry Aims to Roll With the Changes
- Audi Searched by German Police in Dieselgate Swoop
- Auto Group Will Pay $3.6 Million to Settle FTC Charges
- 2017 Automotive Forum to Discuss 'The View from Wall Street' on April 11

Top Stories

Trump Will Offer Boost for Carmakers Today

President Donald J. Trump will tell autoworkers and car executives in a Wednesday speech outside Detroit that his administration is reopening an automaker-requested review of a strict fuel economy mandate, a senior White House official said. The Trump official said the administration plans to spend the next year reviewing data and will set gas mileage standards in 2018 that are technically and economically realistic and would allow automakers to continue growing and adding jobs.

Source: The Detroit News

[back to top]

Trump Won't Seek to Roll Back California Vehicle Authority

President Donald Trump will announce the U.S. Environmental Protection Agency will revive a review of the feasibility of strict fuel efficiency standards through 2025, but will not seek to withdraw California's authority to set its own vehicle rules, a White House official said late on Tuesday.

Source: Reuters

[back to top]

As Trump Targets NAFTA, Car Industry Aims to Roll With the Changes

If proposed taxes prompt auto makers to move more work back to the U.S., many parts suppliers plan to follow

Auto executives say they can adapt to taxes or other curbs on imports, even as industry advocates insist such moves will dent sales and eat into profit. President Donald Trump, traveling to Detroit Wednesday to say his administration will reopen a review of fuel-economy targets, has threatened to upend the North American Free Trade Agreement. The 23-year-old pact led to tens of billions of dollars in new Mexico investments by car companies and their

suppliers.

Source: The Wall Street Journal (Subscription required)

[back to top]

Audi Searched by German Police in Dieselgate Swoop

German prosecutors searched Audi's two biggest plants and other sites on Wednesday in connection with the emissions scandal still rocking parent Volkswagen, adding to pressure on the luxury division and its Chief Executive Rupert Stadler. Volkswagen admitted in September 2015 that up to 11 million of its vehicles worldwide had software installed that cheats emissions tests, unleashing its biggest ever crisis.

Source: Reuters

[back to top]

Auto Group Will Pay $3.6 Million to Settle FTC Charges

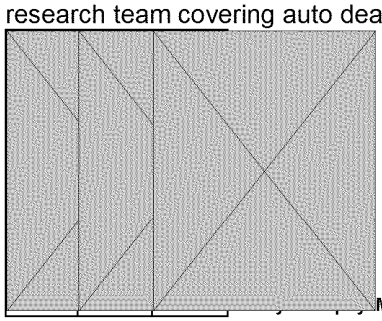
A Los Angeles-based auto group with nine dealerships has agreed to pay more than $3.6 million for return to consumers in order to settle Federal Trade Commission charges that it used deceptive and unfair sales and financing practices, deceptive advertising, and deceptive online reviews. The proposed settlement order, which will be filed in the U.S. District Court for the Central District of California for approval, will prohibit the defendants from making misrepresentations relating to their advertising, add-on products, financing, and endorsements or testimonials.

Source: FTC

[back to top]

2017 Automotive Forum to Discuss 'The View from Wall Street' on April 11

"The View from Wall Street" is among several topics and panel sessions slated for the 2017 Automotive Forum in New York City next month ahead of the auto show. The Wall Street panel speakers are John Murphy, managing director and lead U.S. auto analyst in equity research for Bank of America Merrill Lynch, and Michael Montani, managing director and analyst on Evercore ISI's consumer research team covering auto dealerships.



Montani

Stephen Girsky, managing partner of VectoIQ, an independent advisory firm based in New York, will moderate a panel discussion with Murphy and Montani. Girsky served in numerous capacities at

Quotable

General Motors from November 2009 until July 2014.

The full-day forum, "Automotive 3.0 – Navigating through Changing Times," is hosted by NADA, J.D. Power and the New York International Auto Show. It will be held at the Grand Hyatt New York on April 11, 2017. For the full agenda or to register, visit **www.autoforumny.com**. Seating is limited, so register today. Attendees will receive access to the auto show during press days starting April 12.
Source: NADA

Related article:

- NADA / J.D. Power Automotive Forum to Discuss 'Policy and Regulation in the Trump Era' *(NADA Headlines)*

[back to top]

Past Articles:

- March 14 - NADA / J.D. Power Automotive Forum: The View from Wall Street
- March 13 - Trump Expected to Announce Vehicle Emissions Rules Review
- March 10 - Study Warns of Higher Consumer Prices, Job Losses Under Current MPG Rules
- March 9 - Ford's Joe Hinrichs and Toyota's Bob Carter to Speak at 2017 Automotive Forum in NYC on April 11
- March 8 - VW Rejects Marchionne's Merger Suggestion: 'We Have Other Problems'

SA/Nissan Motor Co. alliance, has encouraged the Trump administration to move fast on NAFTA changes, *The Wall Street Journal*, March 15

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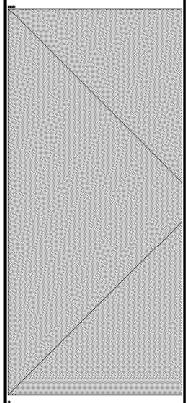
Automotive Forum -- April 11



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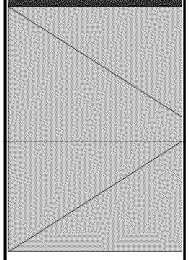

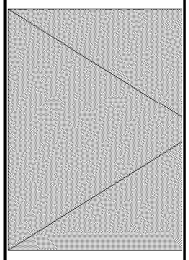

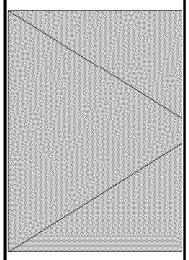

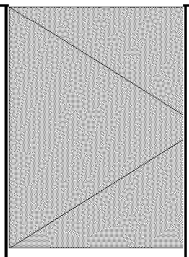

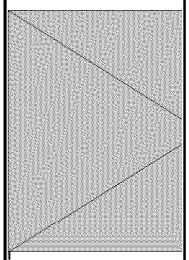

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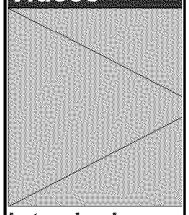

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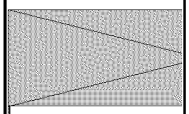

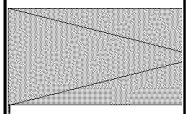

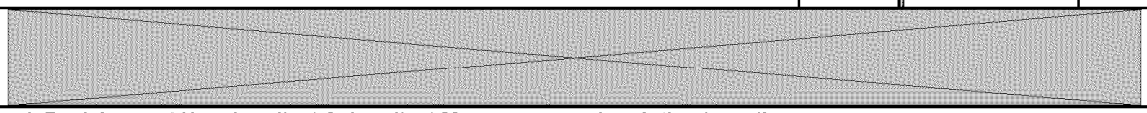

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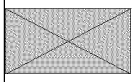

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To: Charmley, William[charmley.william@epa.gov]
Cc: Birgfeld, Erin[Birgfeld.Erin@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]
From: Moran, Robin
Sent: Wed 3/15/2017 4:13:40 PM
Subject: MTE Web changes

Bill – you had asked about the MTE web page. These are the changes that Erin and I worked on. Not sure yet what the go-live time will be.

Midterm Evaluation of Light-Duty Vehicle Greenhouse Gas (GHG) Emissions Standards for Model Years 2022-2025

On this page:

- Overview
- Midterm Evaluation Process
- Previous Steps
- Proposed Determination
- Draft Technical Assessment Report
- EPA Technical Projects to Inform the Midterm Evaluation
- EPA Publications Informing the Midterm Evaluation
- EPA Presentations Regarding the Midterm Evaluation

Overview

As part of the 2012 rulemaking establishing the model year (MY) 2017-2025 light-duty vehicle GHG standards, EPA made a regulatory commitment to conduct a Midterm Evaluation (MTE) of the standards for MY 2022-2025. As a part of this process, EPA is examining a wide range of factors, such as developments in powertrain technology, vehicle electrification, light-weighting and vehicle safety impacts, the penetration of fuel efficient technologies in the marketplace, consumer acceptance of fuel efficient technologies, trends in fuel prices and the vehicle fleet, employment impacts, and many others.

EPA's regulations require several formal steps in the MTE process, including opportunities for public input.

Ex. 5 - Deliberative Process

Ex. 5 - Deliberative Process

The Midterm Evaluation Process

Ex. 5 - Deliberative Process

Previous Steps in the Midterm Evaluation Process [Crafted to keep what was there, but make clear it was previous determination]

On January 12, 2017, Administrator Gina McCarthy signed her determination to maintain the current GHG emissions standards for model year (MY) 2022-2025 vehicles. Her final determination found that automakers are well positioned to meet the standards at lower costs than previously estimated.

Highlights of Administrator McCarthy's January 2017 Final Determination

- Automakers have a wide range of technology pathways available to meet the MY2022-2025 standards, at slightly lower per-vehicle costs than previously predicted. The standards are achievable with very low penetration of strong hybrids, electric vehicles and plug-in hybrid electric vehicles, consistent with the findings of a comprehensive 2015 National Academy of Sciences study.
- The standards will save consumers money, significantly reduce GHG emissions and fuel consumption, and provide benefits to the health and welfare of Americans.
- Automakers have outperformed the standards for the first four years of the program (MY2012-2015) and manufacturers are adopting fuel efficient technologies at unprecedented rates, all while vehicle sales have increased for 7 consecutive years.

Administrator McCarty's determination was based on an extensive technical record, created over 8 years of research, review of several hundred published reports, hundreds of stakeholder meetings, and multiple opportunities for the public to provide input. This Final Determination follows the November 2016 release of EPA's Proposed Determination and the July 2016 release of a Draft Technical Assessment Report (TAR), issued jointly by the EPA, the National Highway Traffic Safety Administration (NHTSA), and the California Air Resources Board (CARB). EPA provided opportunities for public comment for both the Draft TAR and the Proposed Determination.

Cover Letter -- EPA Administrator's signed Cover Letter to the Final Determination.

Final Determination Document -- Final Determination on the Appropriateness of the Model Year 2022-2025 Light-duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation (PDF)(33 pp, 626 K, January 2017, EPA-420-R-17-001).

Response to Comments Document -- Final Determination on the Appropriateness of the Model Year 2022-2025 Light-duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation: Response to Comments (PDF)(174 pp, 2 MB, January 2017, EPA-420-R-17-002).

[Unchanged Below here…]

Proposed Determination

On November 30, 2016, Administrator McCarthy proposed to determine that the MY 2022-2025 standards remain appropriate and that a rulemaking to change them is not warranted. This proposed determination is based on the robust technical record including the draft TAR, input from the auto industry and other stakeholders, and updated analyses. The public comment period for this proposed determination will end on December 30, 2016.

Highlights of the Proposed Determination

- Auto manufacturers can meet the MY 2022-2025 standards at slightly lower per-vehicle costs than predicted in the TAR, and lower costs than predicted in the 2012 rulemaking that established the standards.
- The current standards will save consumers money and provide benefits to the health and welfare of Americans.
- Automakers have a wide range of technology pathways available to meet the standards. Standards are achievable with very low penetration of strong hybrids, electric vehicles and plug-in hybrid electric vehicles. This finding is consistent with the conclusions the National Academy of Sciences found in a comprehensive 2015 study.
- Automakers have outperformed the standards for the first four years of the program (MY2012-2015) and manufacturers are adopting fuel efficient technologies at unprecedented rates, all while vehicle sales have increased for 6

consecutive years. There are over 100 car, SUV, and pickup versions on the market today that already meet 2020 or later standards.

Cover Letter — EPA Administrator's signed Cover Letter to the Proposed Determination.

Proposed Determination Document -- Proposed Determination on the Appropriateness of the Model Year 2022-2025 Light-duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation (PDF) (268 pp, 6.38 MB, EPA-420-R-16-020, November 2016)

Technical Support Document to the Proposed Determination -- Proposed Determination on the Appropriateness of the Model Year 2022-2025 Light-duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation: Technical Support Document (PDF)(719 pp, 18 MB, EPA-420-R-16-021, November 2016)

Comment Period -- The comment period for the Proposed Determination closed on December 30, 2016. Several organizations requested that EPA extend the public comment period for the Proposed Determination; EPA sent letters explaining our denial of these requests to each of these organizations. The incoming requests for an extension of the comment period are available in the docket noted above. For information regarding the comment period, please see the *Federal Register* Notice:

Notice of Availability of a Proposed Order: Proposed Determination on the Appropriateness of the Model Year 2022-2025 Light-duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation (PDF) (2 pp, 199 K, published December 6, 2016

For additional documents supporting EPA's analyses for the Proposed Determination, see the Advanced Light-Duty Powertrain and Hybrid Analysis (ALPHA) Tool and the Optimization Model for reducing Emissions of Greenhouse gases from Automobiles (OMEGA) pages.

Top of Page

Draft Technical Assessment Report (TAR)

EPA, NHTSA, and CARB jointly issued a Draft TAR for public comment in July 2016. The Draft TAR was a technical report, not a decision document, and examined a wide range of issues relevant to the 2022-2025 standards.

Highlights of the Draft Technical Assessment Report:

- **Automakers are innovating in a time of record sales and fuel economy levels**. The results of the Draft TAR show that manufacturers are adopting fuel economy

technologies at unprecedented rates. Car makers and suppliers have developed far more innovative technologies to improve fuel economy and reduce GHG emissions than anticipated just a few years ago.

- **Our new analysis shows that the standards can be met largely with more efficient gasoline powered cars – we continue to project that only modest penetration of hybrids and only low levels of electric vehicles are needed to meet the standards**. The Draft TAR shows that manufacturers can meet the current standards for MY 2022-2025 with conventional gasoline vehicles that use internal combustion engines with well-understood technologies. This is consistent with what the National Academies of Science found in a comprehensive 2015 study. Manufacturers can meet the standards at similar or even lower costs than what was anticipated in the 2012 rulemaking with substantial fuel savings payback to consumers.
- **The National Program preserves consumer choice, even as it protects the environment and reduces fuel consumption.** The National Program is designed to ensure that consumers can continue to buy the differing types of vehicles they need, from compact cars, to SUVs, to larger trucks suitable for towing and carrying heavy loads. Owners of every type of new vehicle will enjoy gasoline savings and improved fuel economy with a reduced environmental footprint.
- **Executive Summary** -- Draft Technical Assessment Report: Midterm Evaluation of Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards for Model Years 2022-2025 – Executive Summary (PDF) (15 pp, 588K, EPA-420-D-16-901, July 2016)
- **Draft Technical Assessment Report**: Midterm Evaluation of Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards for Model Years 2022-2025 (PDF) (1217 pp, 36.5MB, EPA-420-D-16-900, July 2016)
- **Appendices** -- Draft Technical Assessment Report: Midterm Evaluation of Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards for Model Years 2022-2025 (PDF) (118 pp, 5.6MB, EPA-420-D-16-900app, July 2016)

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The comment period for the Draft Technical Assessment Report closed on September 26, 2016. For information regarding that earlier comment period, please see the *Federal Register* Notice:

Notice of Availability of Midterm Evaluation Draft Technical Assessment Report for Model Year 2022–2025 Light Duty Vehicle GHG Emissions and CAFE Standards (PDF) (4 pp, 229 K, published July 27, 2016)

Robin Moran

Senior Policy Advisor

U.S. EPA, Office of Transportation and Air Quality

2000 Traverwood Dr.

Ann Arbor, MI 48105

(734) 214-4781 (phone)

(734) 214-4821 (fax)

To: Liao, Shan[Liao.Shan@epa.gov]; Birgfeld, Erin[Birgfeld.Erin@epa.gov]; Dietrich, Gwen[Dietrich.Gwen@epa.gov]; Sutton, Tia[sutton.tia@epa.gov]; Suarez, Patricia[suarez.patricia@epa.gov]; France, Jennifer[france.jennifer@epa.gov]; Mylan, Christopher[Mylan.Christopher@epa.gov]; Levin, David[Levin.David@epa.gov]
Cc: Charmley, William[charmley.william@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]; Lieske, Christopher[lieske.christopher@epa.gov]
From: Moran, Robin
Sent: Wed 3/15/2017 2:50:50 PM
Subject: RE: please preview. -- RE: Web Markup - MTE Notice

Erin, I'm think we need to tweak that first sentence as well, to track more closely to the FR (vs. PR) – here's my suggestion:

Ex. 5 - Deliberative Process

- Federal Register Notice: Notice of Intention to Reconsider the Final Determination of the Mid-Term Evaluation of Greenhouse Gas Emissions Standards for Model Year 2022-2025 Light Duty Vehicles (PDF) (5 pp, 166 K, pre-publication, About PDF)

From: Liao, Shan
Sent: Wednesday, March 15, 2017 10:38 AM
To: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Levin, David <Levin.David@epa.gov>
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These changes (including Erin and Robin's) are made in the draft version:
https://wcms.epa.gov/node/162119/revisions/506181/view

NOTE: the linked pre-publication document is a place holder. Once this draft page and the pre-publication document are approved for posting, I will replace the document holder with the true pre-publication document.

Shan Liao
Task Order Manager & Web Librarian
NVFEL Library, operated by:
Arctic Slope Mission Services, LLC (ASMS)
2000 Traverwood Drive
Ann Arbor, MI 48105
734-214-4435 - Phone
734-214-4525 - Fax
liao.shan@epa.gov

Tell us how we're doing - rate our customer service!

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Ex. 5 - Deliberative Process Thanks.

Shan let us know when you have a draft for review.

Best,

Erin

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To: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Levin, David <Levin.David@epa.gov>
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Ex. 5 - Deliberative Process

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Thanks!

Robin

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I'm adding Robin Moran for awareness and so she can review the updated page as well.

Thanks,

Erin

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Everyone,

Attached and prepared for posting on the Web:

cafe-joint-notice-dot-epa-2017-03-13.pdf

File is 167 KB and 5 pages.

Gwen Dietrich

Communications/Graphic Design Specialist

Senior Service America, Inc. (Grantee)

Supporting the Office of Transportation and Air Quality

U.S. Environmental Protection Agency

734-214-4639

From: Birgfeld, Erin
Sent: Tuesday, March 14, 2017 11:31 PM
To: Sutton, Tia <sutton.tia@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Levin, David <Levin.David@epa.gov>
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HI Jennifer, Gwen and David,

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For what it is worth we anticipate going live with this around 2 pm, but stay tuned… we are likely to be getting last minute instructions.

Thank you!

-Erin

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Thanks!

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web edits (002)_RM.docx

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-Tia

To: Moran, Robin[moran.robin@epa.gov]; Alson, Jeff[alson.jeff@epa.gov]; Charmley, William[charmley.william@epa.gov]
From: Birgfeld, Erin
Sent: Wed 3/15/2017 1:17:48 PM
Subject: FW: MTE prepublication notice with web disclaimer - UPDATED
cafe-joint-notice-dot-epa-2017-03-13.pdf

FYI – the FR notice.

Robin – **Ex. 5 - Deliberative Process**
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From: Birgfeld, Erin
Sent: Tuesday, March 14, 2017 11:31 PM
To: Sutton, Tia <sutton.tia@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Levin, David <Levin.David@epa.gov>
Cc: Sun, Lisa <Sun.Lisa@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>; Richards, David <Richards.David@epa.gov>
Subject: RE: MTE prepublication notice with web disclaimer - UPDATED
Importance: High

HI Jennifer, Gwen and David,

Please use this version of the notice. The data of signature is updated to be March 13, not March 15.

For what it is worth we anticipate going live with this around 2 pm, but stay tuned… we are likely to be getting last minute instructions.

Thank you!

-Erin

From: Sutton, Tia
Sent: Tuesday, March 14, 2017 6:08 PM
To: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Levin, David <Levin.David@epa.gov>
Cc: Sun, Lisa <Sun.Lisa@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>; Richards, David <Richards.David@epa.gov>
Subject: MTE prepublication notice with web disclaimer

Hi all,

Attached is the prepub notice for the MTE announcement that Erin emailed about earlier.

Chris and Erin- if you need to make edits to this document for any reason, I saved it on the X drive at: X:_X-drive (DC IO shared)\Rules & Notices\LD MTE\March 2017 FR Notice

Thanks!

-Tia

To: Midterm Review[Midterm_Review@epa.gov]; Snapp, Lisa[snapp.lisa@epa.gov]; Birgfeld, Erin[Birgfeld.Erin@epa.gov]; Charmley, William[charmley.william@epa.gov]
From: Moran, Robin
Sent: Tue 3/14/2017 2:54:26 PM
Subject: Bloomberg: "Trump Answers Automaker Call for Review of $33 Billion Rules"

Here's the latest news report I've seen. This one adds that the President will be speaking with "workers and executives at carmakers."

https://www.bloombergquint.com/politics/2017/03/13/trump-to-visit-detroit-automakers-seeking-fuel-economy-rollback

From: NADA Headlines [mailto:nadaheadlines@nada.org]
Sent: Tuesday, March 14, 2017 10:40 AM
To: Moran, Robin <moran.robin@epa.gov>
Subject: NADA / J.D. Power Automotive Forum: The View from Wall Street

View Web Version

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March 14, 2017

Inside this issue

NADA / J.D. Power Automotive Forum: The View from Wall Street

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"We are committed to continued gains in fuel efficiency and carbon reduction. At the same time, ignoring consumer preferences

Big Tech Reshaping Auto Supply Chain With Latest Deals

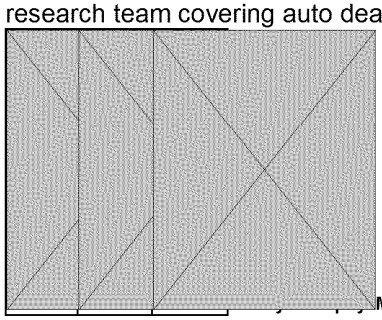
Volkswagen CEO Says Not Ruling Out Merger Talks with Fiat Chrysler

We're in an 'Arms Race' for Smart People: Bill Ford

Top Stories

NADA / J.D. Power Automotive Forum: The View from Wall Street

"The View from Wall Street" is among several topics and panel sessions slated for the 2017 Automotive Forum in New York City next month ahead of the auto show. The Wall Street panel speakers are John Murphy, managing director and lead U.S. auto analyst in equity research for Bank of America Merrill Lynch, and Michael Montani, managing director and analyst on Evercore ISI's consumer research team covering auto dealerships.



Montani

Stephen Girsky, managing partner of VectoIQ, an independent advisory firm based in New York, will moderate a panel discussion with Murphy and Montani. Girsky served in numerous capacities at General Motors from November 2009 until July 2014.

The full-day forum, "Automotive 3.0 – Navigating through Changing Times," is hosted by NADA, J.D. Power and the New York International Auto Show. It will be held at the Grand Hyatt New York on April 11, 2017. For the full agenda or to register, visit **www.autoforumny.com**. Seating is limited, so register today. Attendees will receive access to the auto show during press days starting April 12.

Source: NADA

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Trump Answers Auto Industry Call for Review of $33 Billion Rules

When President Donald Trump visits the Detroit area this week, he'll come bearing a gift: a first step toward relaxing rules that could cost automakers about $33 billion. Trump will announce as part of a visit to Ypsilanti, Michigan, on Wednesday that his administration will begin re-examining fuel-economy standards set by the Obama

administration, according to two people familiar with the plans. He'll speak with workers and executives at carmakers that have sought to relax the rules, which the Environmental Protection Agency tried to solidify during the final days of Barack Obama's presidency.
Source: Bloomberg

Related article:

- NADA / J.D. Power Automotive Forum to Discuss 'Policy and Regulation in the Trump Era' *(NADA Headlines)*

[back to top]

Volkswagen CEO: U.S. Remains 'Core Market' for Company

The CEO of German automaker Volkswagen says the United States remains a "core market" for the company despite its diesel emissions scandal and has underlined that it hopes to expand there. Matthias Mueller made the comments Tuesday at the company's annual news and investor conference at its headquarters in Wolfsburg, Germany.
Source: The Associated Press

[back to top]

Big Tech Reshaping Auto Supply Chain With Latest Deals

Intel Corp. sent a fresh shock wave through the automotive supply chain, becoming the latest tech company to gobble up a specialized car components supplier. The Silicon Valley company's $15 billion acquisition of Mobileye NV could unsettle established auto makers, but it may be the type of big bet needed to populate roads with self-driving vehicles.
Source: The Wall Street Journal (Subscription required)

[back to top]

Volkswagen CEO Says Not Ruling Out Merger Talks with Fiat Chrysler

Volkswagen Chief Executive Matthias Mueller said he did not rule out he could hold merger talks with Fiat Chrysler boss Sergio Marchionne, in a marked change of tone by the German carmaker toward its Italian-American peer. "I am not ruling out a conversation," Mueller told journalists after VW's annual results news conference.
Source: Reuters

[back to top]

We're in an 'Arms Race' for Smart People: Bill Ford

Quotable

The frenetic race to develop autonomous vehicles features a lot of bold claims, management wooing and screaming headlines. Sleep

while your car drives! Come work for us and change the world! Technology secrets stolen! Sounds like déjà vu to Bill Ford, chairman of Ford Motor and great-grandson of Henry Ford.
Source: USA Today

[back to top]

Past Articles:

- March 13 - Trump Expected to Announce Vehicle Emissions Rules Review
- March 10 - Study Warns of Higher Consumer Prices, Job Losses Under Current MPG Rules
- March 9 - Ford's Joe Hinrichs and Toyota's Bob Carter to Speak at 2017 Automotive Forum in NYC on April 11
- March 8 - VW Rejects Marchionne's Merger Suggestion: 'We Have Other Problems'
- March 7 - General Motors Pulls Back from European Auto Market

gains in fuel efficiency and carbon reduction. At the same time, ignoring consumer preferences and market realities will drive up costs for buyers and threaten future production levels."

-- Auto industry executives wrote in a letter to President Donald Trump, Bloomberg, March 14

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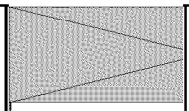
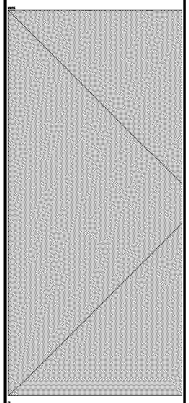
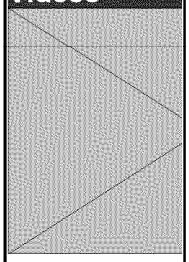
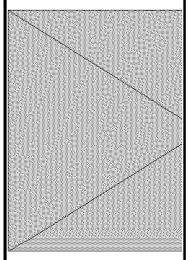


Automotive Forum -- April 11

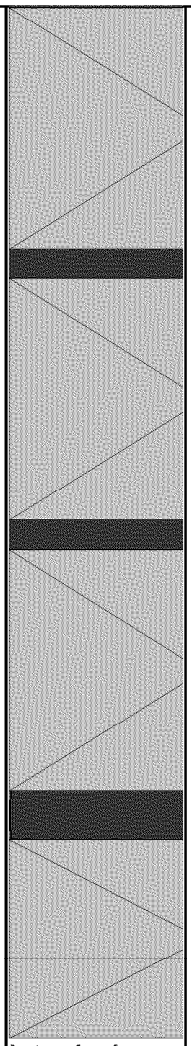


MyDealership Videos





NADA Videos

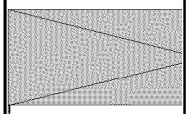


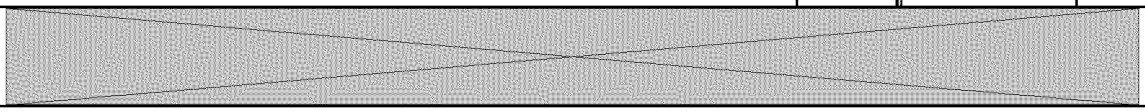
Introducing NADA Academy Plus

Upcoming NADA Webinars

NADA members can view past webinars on-demand at no charge at **NADA University Online**. Members must

create an NADA account before viewing.





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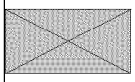

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To: Hengst, Benjamin[Hengst.Benjamin@epa.gov]; Birgfeld, Erin[Birgfeld.Erin@epa.gov]; Charmley, William[charmley.william@epa.gov]
From: Grundler, Christopher
Sent: Mon 3/13/2017 11:42:45 PM
Subject: Fwd: release
CAFE Release 3.6.16.docx
ATT00001.htm

Here is what I was commenting on. Feel free to pile on

Christopher Grundler, Director
Office of Transportation and Air Quality
U.S. Environmental Protection Agency
202/564-1682 (Washington DC)
734/214-4207 (Ann Arbor MI)

Begin forwarded message:

From: "Dunham, Sarah" <Dunham.Sarah@epa.gov>
Date: March 13, 2017 at 7:26:38 PM EDT
To: "Grundler, Christopher" <grundler.christopher@epa.gov>
Subject: Fwd: release

Sent from my iPhone

Begin forwarded message:

From: "Millett, John" <Millett.John@epa.gov>
Date: March 13, 2017 at 7:03:41 PM EDT
To: "Dunham, Sarah" <Dunham.Sarah@epa.gov>, "Hengst, Benjamin" <Hengst.Benjamin@epa.gov>, "Birgfeld, Erin" <Birgfeld.Erin@epa.gov>
Subject: Fwd: release

FYI on the attached. below is my response to Nancy --

Thanks, Nancy -- I'll forward as FYI and see what comes back.

Ex. 5 - Deliberative Process

Ex. 5 - Deliberative Process

John Millett
202.510.1822

Begin forwarded message:

From: "Grantham, Nancy" <Grantham.Nancy@epa.gov>
Date: March 13, 2017 at 6:29:14 PM EDT
To: "Millett, John" <Millett.John@epa.gov>, "Drinkard, Andrea" <Drinkard.Andrea@epa.gov>
Subject: FW: release

We need some messaging – numbers, jobs, etc. to put on a café webpage for weds. Can you all help? thanks ng

Nancy Grantham

Office of Public Affairs

US Environmental Protection Agency

202-564-6879 (desk)

202-253-7056 (mobile)

From: Milbourn, Cathy

Sent: Monday, March 13, 2017 6:25 PM
To: Grantham, Nancy <Grantham.Nancy@epa.gov>
Cc: Milbourn, Cathy <Milbourn.Cathy@epa.gov>
Subject: release

Catherine C. Milbourn

Office of Media Relations

Office of the Administrator

U.S. EPA HQ

202-564-7849 (office)

202-420-8648 (mobile)

Milbourn.cathy@epa.gov

To: Birgfeld, Erin[Birgfeld.Erin@epa.gov]; Hengst, Benjamin[Hengst.Benjamin@epa.gov]; Charmley, William[charmley.william@epa.gov]
From: Grundler, Christopher
Sent: Mon 3/13/2017 11:41:47 PM
Subject: Fwd: release

FYI

Christopher Grundler, Director
Office of Transportation and Air Quality
U.S. Environmental Protection Agency
202/564-1682 (Washington DC)
734/214-4207 (Ann Arbor MI)

Begin forwarded message:

From: "Grundler, Christopher" <grundler.christopher@epa.gov>
Date: March 13, 2017 at 7:41:12 PM EDT
To: "Dunham, Sarah" <Dunham.Sarah@epa.gov>
Cc: "Millett, John" <Millett.John@epa.gov>
Subject: Re: release

Ex. 5 - Deliberative Process

Consumer groups have done their own analysis showing consumer savings

The draft TAR shows how even with lower fuel prices consumers have a favorable payback especially if they lease or finance

Ex. 5 - Deliberative Process

We did do a qualitative employment analysis in the rules. We can get you what we said if you want but bottom line is it was inconclusive and in any event overwhelmed by macro economic events. Others have shown that the stds have led to increased employment -- especially in engineering---throughout the supply chain and at automakers

Record sales have also led to hiring

Christopher Grundler, Director
Office of Transportation and Air Quality
U.S. Environmental Protection Agency
202/564-1682 (Washington DC)
734/214-4207 (Ann Arbor MI)

On Mar 13, 2017, at 7:26 PM, Dunham, Sarah <Dunham.Sarah@epa.gov> wrote:

Sent from my iPhone

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From: "Millett, John" <Millett.John@epa.gov>
Date: March 13, 2017 at 7:03:41 PM EDT
To: "Dunham, Sarah" <Dunham.Sarah@epa.gov>, "Hengst, Benjamin" <Hengst.Benjamin@epa.gov>, "Birgfeld, Erin" <Birgfeld.Erin@epa.gov>
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US Environmental Protection Agency

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202-253-7056 (mobile)

From: Milbourn, Cathy
Sent: Monday, March 13, 2017 6:25 PM
To: Grantham, Nancy <Grantham.Nancy@epa.gov>
Cc: Milbourn, Cathy <Milbourn.Cathy@epa.gov>
Subject: release

Catherine C. Milbourn

Office of Media Relations

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U.S. EPA HQ

202-564-7849 (office)

202-420-8648 (mobile)

Milbourn.cathy@epa.gov

<CAFE Release 3.6.16.docx>

To: Grundler, Christopher[grundler.christopher@epa.gov]; Charmley, William[charmley.william@epa.gov]; Simon, Karl[Simon.Karl@epa.gov]
Cc: Birgfeld, Erin[Birgfeld.Erin@epa.gov]
From: Hengst, Benjamin
Sent: Mon 3/13/2017 11:08:32 PM
Subject: Fwd: release
CAFE Release 3.6.16.docx
ATT00001.htm

Begin forwarded message:

From: "Millett, John" <Millett.John@epa.gov>
Date: March 13, 2017 at 7:03:41 PM EDT
To: "Dunham, Sarah" <Dunham.Sarah@epa.gov>, "Hengst, Benjamin" <Hengst.Benjamin@epa.gov>, "Birgfeld, Erin" <Birgfeld.Erin@epa.gov>
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Cc: Milbourn, Cathy <Milbourn.Cathy@epa.gov>
Subject: release

Catherine C. Milbourn

Office of Media Relations

Office of the Administrator

U.S. EPA HQ

202-564-7849 (office)

202-420-8648 (mobile)

Milbourn.cathy@epa.gov

To: Helfand, Gloria[helfand.gloria@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]; Yanca, Catherine[yanca.catherine@epa.gov]; Alson, Jeff[alson.jeff@epa.gov]; Shelby, Michael[Shelby.Michael@epa.gov]; Charmley, William[charmley.william@epa.gov]; Simon, Karl[Simon.Karl@epa.gov]; Snapp, Lisa[snapp.lisa@epa.gov]; Dickinson, David[Dickinson.David@epa.gov]
From: Moran, Robin
Sent: Mon 3/13/2017 12:20:58 PM
Subject: "Study warns of higher consumer prices, job losses under current mpg rules"

Note the recommendation on ZEV review…

http://www.autonews.com/article/20170309/OEM/303099916/study-warns-of-higher-consumer-prices-job-losses-under-current-mpg

Study warns of higher consumer prices, job losses under current mpg rules

March 9, 2017

John Lippert

Bloomberg

As President Donald Trump weighs easing U.S. fuel-economy rules, an automaker-funded study offered support based on looming cost increases for consumers and a short-term drop in industry employment.

U.S. consumers may pay an average premium of more than $1,800 per vehicle by 2025 due to tougher fuel economy and emissions targets, according to the Indiana University study, which was conducted over 18 months and funded by the Alliance of Automobile Manufacturers.

Employment losses will peak at about 150,000 in 2021, as consumers will shy away from buying costlier cars and trucks, said John Graham, a co-author of the study.

"Our findings don't call into question the need for regulation but we found that the federal requirements need to be fine-tuned," Graham said in a statement. "Due to unexpectedly low gas prices and tepid demand for electric and hybrid vehicles, the standards will have greater economic impact than envisioned when they were developed."

The study adds to the brewing debate over fuel economy standards that's intensified as the Trump administration considers revoking a decision to leave intact rules aimed at curbing vehicle emissions through 2025.

Eighteen automakers asked Trump last month to reinstate an evaluation of the rules, and Ford Motor Co. CEO Mark Fields warned in January that about 1 million U.S. jobs are at risk if standards aren't aligned with market realities.

About a third of the initial job losses would be concentrated in a five-state area near the Great Lakes. The short-term pain will eventually give way to longer term benefits from consumers saving more at the pump, the study found.

The U.S. may end up with a net gain of about 150,000 jobs by 2031, Graham said in a phone interview.

The Indiana University report recommends several ways lawmakers could reorganize fuel-economy regulations, including by commissioning an independent assessment of California's requirements that automakers produce and sell zero-emission vehicles.

The state's program fails to curb much fuel consumption nationwide because manufacturers earn federal credits that make it easier to sell gas guzzlers elsewhere in the U.S., Graham said.

From: Helfand, Gloria
Sent: Friday, March 10, 2017 9:12 AM
To: Moran, Robin <moran.robin@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Yanca, Catherine <yanca.catherine@epa.gov>; Alson, Jeff <alson.jeff@epa.gov>
Subject: FW: IU Graham Report -- being distributed to DOT/Volpe & OMB

Also see possible presentation dates in DC.

Gloria Helfand, Ph.D.

Assessment and Standards Division

Office of Transportation and Air Quality

U.S. Environmental Protection Agency

2000 Traverwood Drive

Ann Arbor, MI 48105

(734) 214-4688

From: Graham, John D. [mailto:grahamjd@indiana.edu]
Sent: Friday, March 10, 2017 9:09 AM
To: McGartland, Al <McGartland.Al@epa.gov>
Cc: Carley, Sanya <scarley@indiana.edu>; Helfand, Gloria <helfand.gloria@epa.gov>; Wolverton, Ann <Wolverton.Ann@epa.gov>; Pearson, Margaret A <pearsonm@indiana.edu>
Subject: RE: Autos report

Al. Yes, Al, I have also shared it with DOT/Volpe. Will send to OMB this morning.

The DC area presentation sounds fine, and certainly can include folk from inside and outside of EPA.

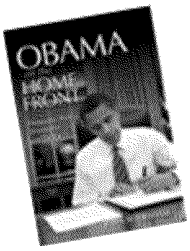
On dates, we could look at April 11 or April 12, May 2, or June 21.

If we hold our remarks to 30 minutes, you could also have two commenters and plenty of time for open discussion.

One of the commenters could be a member of our Peer Review Advisory Board for the project such as Joe Aldy (JFK), Ed Montgomery (Georgetown) or Carolyn Fischer (RFF).

The scheduling contact on my end is Maggie Pearson, copied here.

Take care. John



Obama on the Home Front: Domestic Policy Triumphs and Setbacks
IU Press
Click cover for more info

John D. Graham, Ph.D. | Dean | Indiana University

School of Public & Environmental Affairs

1315 E. Tenth Street

Bloomington, IN 47405

812.855.1432 Phone | 812.855.6234 Fax

grahamjd@indiana.edu

From: McGartland, Al [mailto:McGartland.Al@epa.gov]
Sent: Thursday, March 09, 2017 11:13 PM
To: Graham, John D.
Cc: Carley, Sanya; Helfand, Gloria; Wolverton, Ann
Subject: Re: Autos report

John, good to hear from you. Your report is circulating. I'm assuming you are sending to OMB and DOT and other agencies. We would be happy to host an informal seminar for Washington DC area. I'm sure it will be well attended.

We need to find a date and time that works. I'm assuming it would be fine to invite others Outside of EPA (RFF, USDA, OMB, DOT, George Washington University, etc).

I'm CC'ing Ann Wolverton in NCEE. She and I will work with you. If you have preferred dates don't hesitate to forward them. If you have someone to work with can you provide contact information?

Sent from my iPhone

On Mar 9, 2017, at 4:07 PM, Graham, John D. <grahamjd@indiana.edu> wrote:

Thanks Sanya!

<image003.png>

John D. Graham, Ph.D. | Dean | Indiana University

School of Public & Environmental Affairs

1315 E. Tenth Street

Bloomington, IN 47405

812.855.1432 Phone | 812.855.6234 Fax

grahamjd@indiana.edu

<image004.gif>

From: Carley, Sanya
Sent: Thursday, March 09, 2017 4:02 PM
To: Helfand, Gloria; Graham, John D.; McGartland, Al
Subject: Re: Autos report

https://spea.indiana.edu/doc/research/working-groups/auto-report-032017.pdf

Hopefully this link works?

Thanks,

Sanya

From: "Helfand, Gloria" <helfand.gloria@epa.gov>
Date: Thursday, March 9, 2017 at 4:00 PM
To: "Graham, John D." <grahamjd@indiana.edu>, "McGartland, Al" <McGartland.Al@epa.gov>
Cc: "Carley, Sanya" <scarley@indiana.edu>
Subject: RE: Autos report

The link didn't work for me. Can you please check that it's the correct link?

Gloria Helfand, Ph.D.

Assessment and Standards Division

Office of Transportation and Air Quality

U.S. Environmental Protection Agency

2000 Traverwood Drive

Ann Arbor, MI 48105

(734) 214-4688

From: Graham, John D. [mailto:grahamjd@indiana.edu]
Sent: Thursday, March 09, 2017 3:43 PM
To: McGartland, Al <McGartland.Al@epa.gov>; Helfand, Gloria <helfand.gloria@epa.gov>
Cc: Carley, Sanya <scarley@indiana.edu>
Subject: Autos report

Al and Gloria: Here is the link to our new report on the macroeconomic impacts of DOT-CAFÉ, EPA-GHG, and CARB-ZEV. https://indiana.edu/doc/research/working-groups/auto-report-032017.pdf. Would you be willing to share with relevant folk at EPA and schedule a time for our team to do an informal presentation at EPA during the next few months? Take care. John

<image005.png>

John D. Graham, Ph.D. | Dean | Indiana University

School of Public & Environmental Affairs

1315 E. Tenth Street

Bloomington, IN 47405

812.855.1432 Phone | 812.855.6234 Fax

grahamjd@indiana.edu

<image006.gif>

To: Charmley, William[charmley.william@epa.gov]
From: Hengst, Benjamin
Sent: Mon 3/13/2017 12:20:52 PM
Subject: Fwd: FR notice
CAFE-FINAL FINAL-joint-notice-DOT-EPA (002).docx
ATT00001.htm

I am told this is the final version that Pruitt already signed. I was also asked not to circulate widely (naturally).

Begin forwarded message:

From: "Knapp, Kristien" <Knapp.Kristien@epa.gov>
Date: March 10, 2017 at 11:11:12 AM EST
To: "Hengst, Benjamin" <Hengst.Benjamin@epa.gov>
Subject: FR notice

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MITCH BAINWOL *President & CEO*

March 23, 2017

Gary Cohn
Director, National Economic Council
The White House
1600 Pennsylvania Ave. NW
Washington, DC 20500

Dear Director Cohn:

We appreciate the Trump Administration's announcement last week to ensure that a transparent data-driven analysis will occur prior to reaching a final determination on CAFE/GHG standards, consistent with the long held schedule originally advanced by the prior Administration. In particular, a mid-term review (MTR) can now occur with current data and timely evidence of market realities.

We are now in MY 2017. The agreement between DOT, EPA and California was finalized in 2012 during MY 2013 via a joint final rule with compliance requirements through MY 2025. With the President's action, now there will be an appropriate opportunity to inform the final determination with updated relevant data that more closely approximates a "mid-term" in the truest sense of the word.

As you well know, we are committed to a future of increasing fuel economy. We also believe that it is important not to prejudge the outcome of the MTR. At the same time, we are concerned that consumers are not yet embracing the high MPG offerings we are putting into the market to a degree necessary to facilitate compliance with the original schedule. And that of course, was precisely why the MTR was part of the original Agreement. All parties wanted to make sure that the underlying assumptions about consumer behavior, gas prices and technology costs and adoption remained valid. The need to make sure we are right about these assumptions is critical to reach a determination that fully recognizes, and then optimizes, the broad public policy concerns implicated by these standards, including affordability, employment and carbon reduction.

A key selling point in the original 2012 Agreement was the commitment to ONP – One National Program. That remains an important priority for automakers. Automakers seek certainty, predictability and rationality – over time – from the regulatory process. Given the multi-agency and federal/state realities of these programs, the idea of ONP is critical to smart, coherent regulation.

In the context of last week's announcement, we were pleased to see that the White House indicated a desire to bring all relevant stakeholders, including California, to the table in a genuine, serious and constructive effort to build consensus for a thoughtful, coordinated policy outcome. We think that such an effort is wise and timely, and look forward to participating. Ideally, this process will kick off as soon as possible so that this important work can begin.

With best wishes,

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With best wishes,

March 22, 2017

Scott Pruitt
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Mail Code 1101A
Washington, D.C. 20460

Re: 2022-2025 Model Year Light-Duty Vehicle Greenhouse Gas Emission Standards

Dear Administrator Pruitt:

As the environmental agency heads for the states of Connecticut, Delaware, Maryland, Massachusetts, New York, Oregon, Pennsylvania, Rhode Island, Vermont and Washington, and the District of Columbia, we write to urge you to maintain the U.S. Environmental Protection Agency's (EPA's) "Final Determination on the Appropriateness of the Model Year 2022-2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards." While the record suggests that more stringent standards may be appropriate, we agree with EPA's January 13, 2017 decision to keep the current national greenhouse gas (GHG) standards for model year (MY) 2022-2025 to provide automobile manufacturers with regulatory certainty. We also support maintaining these national standards in order to maximize environmental and economic benefits and to ensure that the United States continues as a world leader in advanced vehicles. In addition, we strongly urge you to respect the independent authority of California to implement its own standards and the right of other states to opt into those California standards to meet the environmental challenges we face.

As part of the 2012 rulemaking establishing the MY 2017-2025 light-duty vehicle GHG standards, which the automobile manufacturers strongly endorsed, EPA made a commitment to conduct a Midterm Evaluation of the standards for MY 2022-2025. After conducting a robust evaluation of an extensive technical record and providing multiple opportunities for public input, EPA determined that the standards for MY 2022-2025 are still appropriate under section 202(a) of the federal Clean Air Act. EPA's completion of the Midterm Evaluation ahead of schedule does not provide grounds to reopen or alter EPA's determination, nor does it change the facts supporting the decision. The record clearly shows that technologies needed to meet the standards are here today, automakers are expected to meet the standards at lower costs than previously estimated, and many other technologies in active development may provide even more cost effective compliance options. The record also establishes that the standards will save consumers money on fuels that will then be available to invest in other areas of the economy, provide public health and welfare benefits, and will not negatively impact the economic viability of the automobile industry or vehicle safety.

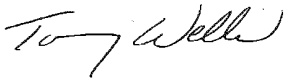
In addition, we strongly urge you to resist industry lobbying to attempt to revoke the waiver issued to California to implement its own GHG standards. You have often spoken of the importance of states' rights, and the right of California to establish and enforce standards that are needed to meet its environmental challenges is fundamental to the Clean Air Act, as is the right of other states to opt into the California standards. California's authority to adopt its own standards has been recognized for the past half century by EPA Administrators on a bipartisan basis. Any effort to revoke EPA's waiver decision for California's standards would be unprecedented, run afoul of the statutory criteria for granting or denying a waiver in section 209(b) of the federal Clean Air Act, and undermine our state rights. In granting a waiver for California's GHG standards, EPA determined that California met its burden and an even stronger waiver case could be made today. Moreover, our states continue to have broad bipartisan support for the authority Congress granted to states in section 177 of the Clean Air Act to adopt and enforce California standards that are more protective of public health and welfare.

For these reasons, we respectfully request that you preserve EPA's current GHG standards for MY 2022-25 and leave California's waiver intact.

Sincerely,

Robert Klee
Commissioner
Connecticut Department of Energy and Environmental Protection

Shawn Garvin
Secretary
Delaware Department of Natural Resources and Environmental Control



Tommy Wells
Director
D.C. Department of Energy and Environment

Ben Grumbles
Secretary
Maryland Department of the Environment

Martin Suuberg
Commissioner
Massachusetts Department of Environmental Protection

Basil Seggos
Commissioner
New York Department of Environmental Conservation

Richard Whitman
Director
Oregon Department of Environmental Quality

Patrick McDonnell
Acting Secretary
Pennsylvania Department of Environmental Protection

Janet Coit
Director
Rhode Island Department of Environmental Management

Maia Bellon
Director
Department of Ecology
State of Washington

Emily Boedecker
Commissioner
Vermont Department of Environmental Conservation

cc: Christopher Grundler, Director
Office of Transportation and Air Quality
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington. D.C. 20460

Mary Nichols
Chairman
California Air Resources Board
1001 "I" Street
Sacramento, California 95814

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Maserati ◦ McLaren ◦ Nissan ◦ Subaru ◦ Suzuki ◦ Toyota

March 16, 2017

Governor Edmund G. Brown, Jr.
c/o State Capitol, Suite 1173
Sacramento, CA 95814

Dear Governor Brown:

I have seen your March 15, 2017 letter to me regarding motor vehicle regulations, which was disseminated through Twitter.

Your tweet, and your letter, contain some false assertions—assertions which, unfortunately, are overly dramatic and distract us from the real issues at hand.

Global Automakers has taken no "action to weaken" the greenhouse gas emission (GHG) standards, as you claim incorrectly. All we asked for—and all that we received —was a return to the Midterm Evaluation process agreed to by all parties (including the State of California) in 2012. The Midterm Evaluation was designed to examine up-to-date information on all relevant factors—such as market conditions, consumer preferences, technological advances, and changes in assumptions and predictions—in order to ensure that the standards achieve meaningful reductions in motor vehicle GHG emissions, while also providing customers with affordable vehicles that meet their needs.

Global Automakers and our member companies signed up for the One National Program in large part because it included a data-driven and transparent Midterm Evaluation coordinated among California, the U.S. Environmental Protection Agency (EPA), and the National Highway Traffic Safety Administration (NHTSA). EPA lost sight of the importance of a coordinated approach when it needlessly rushed through a Final Determination on the GHG emission standards over a year ahead of schedule, contravening its previous commitments, and without coordination with NHTSA. The Trump Administration's action is in line with the request Global Automakers put before EPA: a return to a coordinated Midterm Evaluation that does not lock in a predetermined outcome and goes where the facts lead it.

Global Automakers and our member companies have not wavered in our support for improving motor vehicle fuel economy and reducing GHG emissions through a strong and harmonized federal program. Our member companies have invested, and continue to invest, billions in advanced technologies to achieve public policy goals. Global Automakers looks forward to restarting the discussion to align these critically important goals with the realities of the marketplace and continuing our work with California and the federal agencies as we advance our shared environmental goals.

I welcome the opportunity to discuss these matters further with you.

Sincerely,

John Bozzella
President & CEO

Association of Global Automakers, Inc. 1050 K Street, NW, Suite 650 ◦ Washington, DC 20001 TEL 202.650.5555 GLOBALAUTOMAKERS.ORG

United States Senate

WASHINGTON, DC 20510

March 7, 2017

The Honorable Scott Pruitt
Administrator
Environmental Protection Agency
1200 Pennsylvania Ave., NW
Washington, DC 20004

Dear Administrator Pruitt,

We write in support of the Environmental Protection Agency's (EPA) Final Determination on the Appropriateness of the Model Year 2022-2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards and urge you to not withdraw this Final Determination or reopen the EPA's Midterm Evaluation of the emissions standards for model years 2022-2025. These automobile emissions standards are economically feasible and technologically achievable for the auto industry as the Final Determination demonstrates. They will enhance our national security by reducing our consumption of foreign oil. They will benefit consumers, saving them billions of dollars at the pump and reduce our carbon pollution. They provide certainty to the auto industry, which is already investing in the technologies and designs for the vehicles they will sell in these later years of the program. It is critical that they remain in place.

During your confirmation hearing in the Senate Environment and Public Works (EPW) Committee, you were asked whether you would respect both EPA's finding that greenhouse gas emissions from motor vehicles endanger public health and welfare and the Supreme Court's decision that the EPA must therefore regulate motor vehicle greenhouse gas emissions. You affirmed that the Supreme Court's landmark decision in *Massachusetts v. EPA* is the "law of the land." You further stated that you would "enforce and respect" the EPA's endangerment finding on greenhouse gas emissions. Keeping the EPA's Final Determination in place goes right to the heart of enforcing and respecting the endangerment finding.

These vehicle emissions standards are critical to our national security. We still import more than three million barrels of oil every day from OPEC nations. We still import nearly five million barrels of oil a day overall. Not keeping these emissions standards in place would only deepen that dependence on foreign oil and weaken our national security. Indeed, EPA estimates that these standards will reduce oil consumption by 1.2 billion barrels.

These standards do and will benefit consumers. The EPA found that the net benefits of these standards are nearly $100 billion. In fact, in all scenarios, including a scenario where fuel prices are low, the EPA found that the benefits for consumers far outweigh the costs.

Auto companies have thrived under these standards. They have added 700,000 jobs since 2009 when the standards began to be implemented. Sales have increased for seven straight years to an

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all-time record high in 2016, all while the industry was rebounding from the economic recession, and while on average, manufacturers outperformed the emission standards for each of the first four years of the program.

The EPA's Final Determination was based on extensive technical analysis by the EPA, the Department of Transportation and the California Air Resource Board (CARB). Through multiple rounds of formal comment, as well as ongoing interaction between the agencies and industry, automakers provided substantial input to the agencies during the process and the agencies took industry data and positions into account in drawing their conclusions. Those conclusions demonstrate that the auto industry can meet these fuel economy emissions standards with already available and cost-effective technologies. The EPA conducted an open process and the Final Determination was informed by the more than 100,000 public comments the agency received. EPA's technical conclusions were consistent with the conclusion of the 2015 study by the National Academies of Science that the 2025 standards could be achieved primarily with advanced gasoline technologies.

Withdrawing the Final Determination and reopening the EPA's Midterm Evaluation of these standards could weaken our energy security, harm consumers, and increase global warming pollution. It would also create needless uncertainty for the auto industry and hinder the industry's ongoing progress. We therefore urge you to reject any requests to withdraw EPA's Final Determination regarding the appropriateness of these fuel economy emissions standards.

Sincerely,

Edward J. Markey
U.S. Senator

Brian Schatz
U.S. Senator

Dianne Feinstein
U.S. Senator

Jeffrey A. Merkley
U.S. Senator

Richard Blumenthal
U.S. Senator

Maria Cantwell
U.S. Senator

Charles E. Schumer
U.S. Senator

Thomas R. Carper
U.S. Senator

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Chris Van Hollen
U.S. Senator

Bernard Sanders
U.S. Senator

Sheldon Whitehouse
U.S. Senator

Richard J. Durbin
U.S. Senator

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2017 FEB 21 PM 2:37
OFFICE OF THE EXECUTIVE SECRETARIAT

February 21, 2017

G. Scott Pruitt
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Mail Code 1101A
Washington, D.C. 20460

RE: Final Determination on the Appropriateness of the Model Year 2022-2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation

Dear Administrator Pruitt,

I write on behalf of the Alliance of Automobile Manufacturers (Alliance), an association representing twelve leading manufacturers of cars and light trucks,[1] to request that the U.S. Environmental Protection Agency (EPA) withdraw the Final Determination on the Appropriateness of the Model Year 2022-2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation (Final Determination) which was announced on January 13, 2017 but never published in the *Federal Register*.

For the auto industry, the Final Determination may be the single most important decision that EPA has made in recent history. The Alliance requests that EPA withdraw the Final Determination and resume the Midterm Evaluation, in accordance with its original timetable, to remedy the severe procedural and substantive defects that have infected the process to date. We explain, in more detail below, EPA's authority to withdraw the Final Determination and why that withdrawal is appropriate and essential.

1. EPA Should Exercise Its Authority to Withdraw the Final Determination

As you know, on January 20, the White House issued a memorandum to the heads of all executive departments and agencies instituting a freeze on regulatory activity, pending review by the Office of Management and Budget (OMB) Director.[2] The Alliance urges EPA to withdraw the Final Determination on its own initiative in accordance with the regulatory freeze. Irrespective of whether EPA considers the Final Determination a rule or an adjudication, the Final Determination should be reviewed

[1] Alliance members are BMW Group, FCA US LLC, Ford Motor Company, General Motors Company, Jaguar Land Rover, Mazda, Mercedes-Benz USA, Mitsubishi Motors, Porsche Cars North America, Toyota, Volkswagen Group of America, and Volvo Car USA.

[2] *See* Memorandum for the Heads of Executive Departments and Agencies, Jan. 20, 2017, https://www.whitehouse.gov/the-press-office/2017/01/20/memorandum-heads-executive-departments-and-agencies.

and withdrawn. As the Alliance has noted, a wealth of precedents confirm that the Final Determination is a rule, and all rules not yet published in the *Federal Register* are subject to the regulatory freeze.[3] Even if EPA continues to construe the Final Determination as an adjudication, however, it is still subject to the regulatory freeze as an "agency statement of general applicability and future effect 'that sets forth a policy on a statutory, regulatory, or technical issue or an interpretation of a statutory or regulatory issue.'" The Final Determination reaffirms and reinstates industry-wide greenhouse gas emissions standards for all light vehicles sold in America for MY 2022-2025, and thereby establishes a policy on a regulatory issue of central importance to the auto industry.

Furthermore, EPA has ample authority to withdraw the Final Determination on its own initiative, irrespective of whether EPA considers it a rule or an adjudication. If the Final Determination is a rule, it is clearly a nonfinal one, because it has not been published in the *Federal Register*. *See* 5 U.S.C. § 553(d); *Kennecott Utah Copper Corp. v. U.S. Dep't of Interior*, 88 F.3d 1191, 1209 (D.C. Cir. 1996). And, as a nonfinal rule, EPA can readily withdraw the Final Determination without engaging in notice-and-comment rulemaking. *Kennecott,* 88 F.3d at 1206.

Even if EPA continues to endorse the view that the Final Determination is an adjudication, however, EPA has broad inherent power to reconsider its decision "within the period available for taking an appeal." *Am. Methyl Corp. v. EPA*, 749 F.2d 826, 835 (D.C. Cir. 1984). Agencies have long exercised this power to fix determinations like this one that suffer from "serious procedural and substantive deficiencies." *Belville Min. Co. v. United States*, 999 F.2d 989, 998 (6th Cir. 1993). Regardless of how EPA classifies the Final Determination, EPA should promptly withdraw it in light of the many procedural and substantive flaws described below.

2. EPA Has Abrogated Its Commitment to a Robust Midterm Evaluation

As the Supreme Court has recognized, EPA's regulatory efforts to address greenhouse gases have already produced "the single largest expansion in the scope of the [Clean Air Act] in its history."[4] In 2009, EPA issued an Endangerment Finding that motor vehicle greenhouse gas emissions contribute to climate change and thereby threaten public health and welfare. Thereafter, EPA and the National Highway Traffic Safety Administration (NHTSA) began jointly setting greenhouse gas emissions and fuel economy standards for new light-duty motor vehicles, starting with Model Year (MY) 2012-2016. Then, in 2012, EPA and NHTSA took the unprecedented step of

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[3] *See* Alliance Comments on Proposed Determination on Appropriateness of the Model Year 2022-2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation at 11-13, Dec. 30, 2016, Docket ID No. EPA-HQ-OAR-2015-0827; Memorandum for the Heads of Executive Departments and Agencies, Jan. 20, 2017.

[4] *Utility Air Regulatory Group v. EPA*, 134 S. Ct. 2427, 2436 (2014) (internal quotation marks omitted).

setting joint greenhouse gas and fuel economy standards over a decade in advance for MY 2022-2025 vehicles. 77 Fed. Reg. 62,628 (Oct. 15, 2012). No agency ever had set emissions standards so far into the future, and all stakeholders understood that no one could accurately project the circumstances affecting the technological and economic feasibility of these standards.

The Alliance supported these efforts—but only on the condition that EPA and NHTSA would reassess standards as data became available to test their feasibility. That commitment was essential because of the great uncertainty regarding the feasibility of the future standards. Based on the projections in the 2012 rule, manufacturers must achieve an average 54.5 miles per gallon equivalent across their new vehicle fleets by 2025. Even today, no conventional vehicle today meets that target, and conventional vehicles comprise 96.5% of the new light-duty vehicle fleet. Only some non-conventional vehicles (i.e., hybrid, plug-in electric, and fuel-cell vehicles), which comprise fewer than 3.5% of today's new vehicles, currently can do so.[5] Even under EPA's optimistic estimates, the automotive industry will have to spend a staggering $200 billion between 2012 and 2025 to comply, making these standards many times more expensive than the Clean Power Plan.[6]

EPA and NHTSA committed to a robust Midterm Evaluation that would take a fresh look at these standards by April 2018. The agencies promised that this review would be collaborative, so that the industry could offer the agencies real-life data to adjust their model-driven forecasts. The agencies also committed to developing greenhouse gas emissions standards and fuel economy standards in tandem.[7] And they repeatedly represented that they would not complete the Proposed Determination/Notice of Proposed Rulemaking until mid-2017 at the earliest.[8] The industry took the agencies at their word, commissioning complex studies critical to assessing the MY 2022-2025 standards and the processes used by EPA in its analysis, that we had expected to add to the administrative record for the Midterm Evaluation in 2017.

On November 30, 2016, EPA abruptly abrogated these commitments. EPA issued a Proposed Determination that the MY 2022-2025 standards should go into force

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[5] "Light-Duty Automotive Technology, Carbon Dioxide Emissions, and Fuel Economy Trends: 1975 through 2016," at 118. U.S. Environmental Protection Agency. EPA-420-R-16-010, Nov. 2016.

[6] *See* EPA Regulatory Impact Analysis for 2012-2016 rule (EPA-420-R-10-009, Apr. 2010) at https://www.epa.gov/regulations-emissions-vehicles-and-engines/final-rule-model-year-2012-2016-light-duty-vehicle; EPA Regulatory Impact Analysis for 2017-2025 rule (EPA-420-R-12-016, Aug. 2012) at https://www.epa.gov/regulations-emissions-vehicles-and-engines/final-rule-model-year-2017-and-later-light-duty-vehicle.

[7] *See* 40 C.F.R. § 86.1818-12(h), 77 Fed. Reg. 62,784 (Oct. 15, 2012), 40 C.F.R. § 86.1818-12(h)(1) -(2); 81 Fed. Reg. 49,219 (July 27, 2016).

[8] *See* Alliance Comments on Proposed Determination at 10, Dec. 30, 2016, Docket ID No. EPA-HQ-OAR-2015-0827.

without modification. EPA issued the Proposed Determination without coordinating with NHTSA. EPA demanded comments by December 30, 2016, even though the Proposed Determination was not published in the *Federal Register* until December 6. The public and industry had a mere 24 days, spanning a major national holiday, to comment on nearly 1,000 pages of documents, plus additional cited documents and computer modeling, regarding requirements that will profoundly affect the automobile industry and the more than 900,000 American workers it directly employs.[9] After EPA denied requests by various stakeholders to extend the abbreviated comment period, we did our best to file substantive comments. EPA received more than 100,000 public comments, including 63 sets of comments from various organizations spanning hundreds of pages.[10] Many objected that the comment period was inadequate. EPA denied all requests to extend the abbreviated comment period and yet EPA issued the Final Determination on January 13, 2017, just 14 days after the comment period closed. EPA brushed aside objections to its procedural shortcuts and never justified the need for such an abbreviated comment period. EPA also rejected commenters' substantive and technical concerns by resting on its earlier analysis.

3. EPA Should Withdraw the Final Determination Immediately

The Final Determination is the product of egregious procedural and substantive defects and EPA should withdraw it.[11] In EPA's rush to promulgate the Final Determination before the new administration took office, EPA bypassed required procedures, failing for instance to provide an adequate period for meaningful notice and comment. The Final Determination asserts that there was no need for more time because the Proposed Determination did not include much new material. But that contention is belied by EPA's acknowledgement that the Proposed Determination adjusted a number of EPA assumptions in response to commenters who pointed out errors at earlier stages. The industry also had an unacceptably short period to try to ascertain why EPA rejected many of its objections.[12] These procedural defects are significant irrespective of whether the Final Determination constitutes rulemaking or adjudication.

EPA's unilateral announcement of its Final Determination also constitutes a failure to harmonize its greenhouse gas emissions standards with NHTSA's fuel-economy standards, contrary to the letter and intent of EPA's own regulations. NHTSA has not yet reached a determination on its fuel economy standards and continues its

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[9] U.S. Department of Labor, Bureau of Labor Statistics, 2015, U.S. Vehicle and Equipment Manufacturing Employment equaled 909,700 people.

[10] Final Determination, Response to Comments at 1-3.

[11] *See* Alliance Comments on Proposed Determination, Dec. 30, 2016, Docket ID No. EPA-HQ-OAR-2015-0827.

[12] *See* Final Determination, Response to Comments at 7.

Midterm Evaluation rulemaking activities. EPA's failure to act in coordination with NHTSA also casts serious doubt on the legitimacy of EPA's data and conclusions, given the substantial discrepancies between EPA's and NHTSA's analysis of the technologies and costs associated with the MY 2022-2025 standards.[13]

Furthermore, EPA's Final Determination that the MY 2022-2025 greenhouse gas standards should remain unchanged, is riddled with indefensible assumptions, inadequate analysis, and a failure to engage with contrary evidence. Here are just a few examples:

- EPA estimated that these standards will cost the industry at least $200 billion. But EPA underestimated the burden. Contrary to EPA's assumptions, manufacturers will have to rely on much more expensive electrified technologies (i.e., hybrids and plug-ins), driving up vehicle prices and depressing auto sales.

- EPA refused to conduct an analysis of consumer acceptance and technology affordability needed for compliance, claiming this was too difficult.

- EPA refused to analyze substantively the economic impact of the MY 2022-2025 standards, instead making cursory assertions that downplayed the impact of its mandate on auto sales and employment.

- EPA refused to consider many of the Alliance's technical concerns even when supported by an outside consultant[14], asserted the Alliance provided insufficient data, and then refused further meetings for clarification.

4. <u>Studies and Data Highly Relevant to the Midterm Evaluation Have Not Been Submitted to EPA Because They Still Are Pending</u>

It is particularly critical that EPA withdraw the current Final Determination and reopen the Midterm Evaluation process because analysis commissioned according to EPA's original timetable is ongoing and the Alliance expects that new information relevant to the Final Determination's underlying assumptions and resulting analysis will soon emerge. EPA's rushed timetable, coupled with its about-face on the timing of the Midterm Evaluation, prevented consideration of this information.

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[13] *See* Alliance Comments on US EPA, US DOT, California's Air Resources Board Draft Technical Assessment Report of Greenhouse Gas Emissions and Fuel Economy Standards for Model Year 2022-2025 Cars and Light Trucks at ES-9, Sept. 26, 2016, Docket ID No. EPA-HQ-OAR-2015-0827, NHTSA's costs are approximately 42% higher than EPA's (NHTSA Table ES-2 v. EPA ES-4 Table ES-1).

[14] *See* Novation Analytics Comments on Draft Technical Assessment, Sept. 26, 2016; Docket ID No. EPA-HQ-OAR-2015-0827.

We urge EPA to reconsider imposing such a far-reaching mandate on an entire industry without adequately considering the consequences, and without giving stakeholders a meaningful opportunity to comment. The MY 2022-2025 standards threaten to depress an industry that can ill afford spiraling regulatory costs. If left unchanged, those standards could cause up to *1.1 million* Americans to lose jobs due to lost vehicle sales.[15] And low-income households would be hit the hardest.[16]

The Alliance is not asking EPA to make a different Final Determination at this time. All we are asking is that EPA withdraw the Final Determination and resume the Midterm Evaluation, in conjunction with NHTSA, consistent with the timetable embodied in EPA's own regulations. We believe that, if carried out as intended, the Midterm Evaluation can lead to an outcome that makes sense for all affected stakeholders and for society as a whole.

The Alliance welcomes the opportunity for further dialogue about ways to rekindle the industry's longstanding cooperation with EPA on these issues.

Sincerely,

Mitch Bainwol
President and CEO

Cc: Secretary Elaine Chao, DOT
Kevin Green, DOT
Bill Charmley, EPA
Chris Grundler, EPA
Michael Olechiw EPA
Rebecca Yoon, NHTSA
James Tamm, NHTSA
Mike McCarthy, CARB
Annette Hebert, CARB

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[15] McAlinden, Sean, et al., *The Potential Effects of the 2017-2025 EPA/NHTSA GHG/Fuel Economy Mandates on the U.S. Economy*, Center for Automotive Research (Sep. 2016) at 49. Referring to the $3.00 per gallon gasoline price $6,000 technology cost scenario.

[16] Walton, Tom, et al., *The Impact of Future Fuel Economy Standards on Low Income Households*, Defour Group LLC (Sep. 2016); Walton, Tom, et al., *Defour Group Response to EPA Rejoinders to Defour Group / Alliance of Automobile Manufacturers Submission Regarding the Regressivity/Affordability of EPA's Proposed Fuel Economy Standards*, (Dec. 2016).

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803 7th Street, NW
Suite 300
Washington, DC 20001

Head Administrators Office
U.S. EPA Headquarters
William Jefferson Clinton Building
1200 Pennsylvania Avenue, N.W.
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(202)272-0167 - Main #

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February 21, 2017

Scott Pruitt
Administrator
Environmental Protection Agency
Office of the Administrator 1101A
1200 Pennsylvania Avenue, N.W.
Washington DC 20460

Attention: Docket ID No. EPA-HQ-OAR-2015-0827

RE: Petition for Reconsideration and Request to Withdraw Final Determination on the Appropriateness of the Model Year 2022-2025 Light-duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation (January 12, 2017)

Dear Administrator Pruitt:

The Association of Global Automakers, Inc. (Global Automakers)[1] respectfully petitions the United States Environmental Protection Agency (EPA) to reconsider its final Determination on the Appropriateness of the Model Year 2022-2025 Light-duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation (the "Determination"), and requests that the Determination be withdrawn. As explained below, EPA's premature Determination suffers from a multitude of procedural and substantive flaws. Most importantly, it is inconsistent with the coordinated process to which EPA committed in 2012 to ensure the development of "One National Program" to regulate fuel economy and greenhouse gas (GHG) emissions in coordination with the National Highway Traffic Safety Administration (NHTSA). Consequently, we are requesting that EPA withdraw the Determination and reopen the record so that EPA's rulemaking concerning GHG emission standards for model years (MY) 2022-2025 can be aligned with fuel economy rulemaking currently underway at NHTSA for those years.

[1] The Association of Global Automakers represents international motor vehicle manufacturers, original equipment suppliers, and other automotive-related trade associations. Our member companies have invested $56 billion in U.S.-based facilities, directly employ nearly 100,000 Americans, and sell 47 percent of all new vehicles purchased annually in the country. Combined, our members operate more than 300 production, design, R&D, sales, finance and other facilities across the United States. Working with industry leaders, legislators, and regulators in the United States, Global Automakers aims to create public policies that improve motor vehicle safety, encourage technological innovation, and protect our planet. Our goal is to foster an open and competitive automotive marketplace that encourages investment, job growth, and development of vehicles that can enhance Americans' quality of life. For more information, please visit www.globalautomakers.org.

Association of Global Automakers, Inc. 1050 K Street, NW, Suite 650 • Washington, DC 20001 TEL 202.650.5555 GLOBALAUTOMAKERS.ORG

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A. Background

On January 12, 2017—just one week before the end of the previous administration—EPA published its final Determination concerning whether the GHG emissions standards currently on the books for MY 2022-2025 remain appropriate. This Determination was part of a "Midterm Evaluation" of those standards, a key protective mechanism that was included, at the insistence of the auto industry as a condition of its support of these regulations, in the 2012 joint EPA and NHTSA rule setting fuel economy and GHG emission standards covering MY 2017 through 2025.[2] Given that NHTSA is statutorily prevented from promulgating fuel economy standards governing more than a five-year period, and that the EPA standards were being set more than ten years into the future, having an objective and data-driven Midterm Evaluation is necessary to ensure that the future standards are feasible, cost-effective, and achieve the goals of the two relevant statutes under the One National Program.

Throughout the process of the Midterm Evaluation, both EPA and NHTSA made several commitments to the stakeholders. First, the agencies promised to remain aligned from both a procedural and substantive standpoint.[3] As was the case with the 2012 rulemaking, during the Midterm Evaluation the agencies were to jointly issue a proposed rulemaking/determination and a final rulemaking/ determination. This was necessary to ensure that One National Program is maintained and to protect manufacturers from having to comply with multiple inconsistent standards.

Second, EPA and NHTSA consistently stated that the final NHTSA rule and EPA determination were expected by April 1, 2018,[4] with a proposed rule and a proposed determination expected in the summer of 2017.[5] This timeline would allow the agencies to account for the most up-to-date and robust information concerning the light-duty fleet and the costs and effectiveness of the technologies needed to meet the standards. In developing information for the record, in allocating scarce automotive engineering

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[2] *See* 2017 and Later Model Year Light-Duty Vehicle Greenhouse Gas Emissions and Corporate Average Fuel Economy Standards, 77 Fed. Reg. 62,624 (Oct. 15, 2012). The State of California has its own GHG emission standards for light duty vehicles, but has amended its regulations to include a "deemed-to-comply" provision whereby automakers could show compliance with its state GHG emission standards by complying with EPA GHG regulations. Together, the California regulations and the EPA/NHTSA standards are referred to as the "One National Program."

[3] *See* 77 Fed. Reg. at 62,633 (stating that EPA and NHTSA will act jointly in their proposed and final rulemaking in the Midterm Evaluation "[i]n order to align the agencies' proceedings for MYs 2022–2025 and to maintain a joint national program.")

[4] *Id.*

[5] *See* https://www.epa.gov/sites/production/files/2016-10/documents/grundler-sae-naipc-2015-09-17-presentation.pdf at 24 (indicating that the EPA Proposed Determination and NHTSA notice of proposed rulemaking would be released mid-2017 and the final determination made in April 2018).

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resources, and in the expenditure of considerable sums, the industry relied upon this schedule and these repeated representations.

Finally, both EPA and NHTSA committed to a collaborative process that would fully account for the input of all stakeholders. To achieve this, the agencies stated that they would provide periods of public comment on the draft Technical Assessment Report (TAR) that EPA and NHTSA compiled in collaboration with the California Air Resources Board (CARB), and a separate period of comment with respect to EPA's and NHTSA's proposals concerning the MY 2022-2025 standards.[6] Given that the agencies' actions on this matter would affect billions of dollars of investments on the part of automakers as well as the types of vehicles that would be made available to customers for years (if not decades) to come, it is critically important that the agencies get it right.

Despite this carefully constructed (and fully promised) process, EPA unilaterally reversed course 22 days after the Presidential Election. On November 30, 2016, EPA abruptly announced that it was abandoning its previously committed-to plan on the Midterm Evaluation and published a lengthy "Proposed Determination" concerning the appropriateness of the MY 2022-2025 GHG standards. Signaling its new intent to rush through a final Determination before the end of the Obama Administration, EPA provided stakeholders with just 30 days from the release of the Proposed Determination on EPA's website to provide comments (which was only 24 days from the date the Proposed Determination was published in the Federal Register[7]). EPA was informed by many stakeholders that this comment period was far too short for an action of this magnitude and included a holiday period when many automakers are closed. Nevertheless, EPA's Final Determination was released on January 12, 2017.

When EPA announced the Proposed Determination, it styled its action as a "proposed adjudicatory determination."[8] EPA therefore took the position that its Determination could escape both the procedural requirements of Section 307 of the Clean Air Act[9] and the rulemaking provisions of the Administrative Procedures Act (APA).[10] In the Final Determination and Response to Comment, EPA rejected the argument made by Global Automakers and many other stakeholders that the Determination amounted to a rulemaking because it is a prospective action setting agency policy.[11] Consistent with its position that the Determination is not a rulemaking, EPA has not published the Determination in the Federal Register.

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[6] 77 Fed. Reg. at 62,784.
[7] 81 Fed. Reg. 87,927 (Dec. 6, 2016).
[8] See Proposed Determination at ES-2 and 2 n.2.
[9] 42 U.S.C. § 7607(d)
[10] 5 U.S.C. § 553
[11] *See* EPA Final Determination on the Appropriateness of the Model Year 2022-2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation at 11, n.20.

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B. EPA Has Ample Authority to Reconsider the Determination

Regardless of whether the Final Determination is considered a rule or an adjudication, this EPA has the authority to withdraw and reconsider it. In the event that the Determination is an adjudication (as the prior EPA claimed), then the agency has inherent authority to reconsider that decision. "It is widely accepted that an agency may, on its own initiative, reconsider its interim or even its final decisions, regardless of whether the applicable statute and agency regulations expressly provide for such review."[12] This is especially true where the underlying determination has "serious procedural and substantive deficiencies."[13] Unless a statute expressly limits an agency's authority to reconsider its decisions—which is not the case here—then the agency may freely do so as long as reconsideration occurs within a reasonable time after the first decision and notice of the agency's intent to reconsider is given to the parties.[14]

In the event that the Determination did amount to a rulemaking, then it is subject to withdrawal and reconsideration for two separate and independent reasons. First, the Federal Register Act requires that all documents of "general applicability and legal effect" be published in the Federal Register.[15] The EPA Final Determination has not been published in the Federal Register in contravention of this clear requirement. Thus, under President Trump's Memorandum for the Heads of Executive Departments and Agencies; Regulatory Freeze Pending Review,[16] if viewed as a rule the Final Determination can and should be withdrawn by the new Administration.

Second, an agency has inherent power to withdraw and reconsider a rule that suffers from fatal legal and procedural flaws.[17] Adhering to the proper procedures is a fundamental prerequisite for valid rulemaking.[18] Here, the Determination is invalid as a rule because EPA did not follow any of the procedural requirements set forth in Section 307(d) of the Clean Air Act. EPA did not convene a hearing to allow interested persons to comment on the Proposed Determination, and did keep the record of the proceedings open for 30 days to provide an opportunity for interested persons to submit rebuttal and supplementary information to the

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[12] *Dun & Bradstreet Corp. Found. v. United States Postal Serv.*, 946 F.2d 189, 193 (2d Cir. 1991). *See also ConocoPhillips Co. v. United States EPA*, 612 F.3d 822, 832 (5th Cir. 2010) ("Embedded in an agency's power to make a decision is its power to reconsider that decision."); *Gun South, Inc. v. Brady*, 877 F.2d 858 (11th Cir. 1989) (holding that Bureau of Alcohol, Tobacco, and Firearms had the implied authority to correct the erroneous approval of firearms import application).

[13] *Belville Mining Co. v. United States*, 999 F.2d 989, 998 (6th Cir. 1993).

[14] *Dun & Bradstreet*, 946 F.2d at 193.

[15] 44 USC 1505(a)(2).

[16] 82 Fed. Reg. 8346 (Jan. 24, 2017).

[17] *Citizens Against the Pellissippi Parkway v. Mineta*, 375 F.3d 412, 416 (6th Cir. 2004)

[18] *United States v. Utesch*, 596 F.3d 302, 312 (6th Cir. 2010) (stating that a "reviewing court must focus not merely on the ultimate rule but on the process of an administrative rulemaking; otherwise, an agency could always violate the APA's procedural requirements based on the representation that it would have adopted the same rule had the proper process been followed.")

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record.[19] Presumably, the prior EPA ignored these requirements because to follow them would have prevented the agency from finalizing the Determination before the end of the Obama Administration. But politics is not a reason for running roughshod over important procedural protections found in the Clean Air Act.

C. EPA Should Withdraw the Determination and Reopen the Rulemaking Record to Maintain the One National Program EPA Promised

EPA's Determination is a significant action by the agency that will have far-reaching ramifications for the industry and the automobile driving public. EPA readily concedes that the MY 2022-2025 standards will increase the prices of new motor vehicles by a substantial amount (according to EPA's own estimates), and will impact the types of vehicles sold in the U.S. An action of this magnitude requires a thoughtful and collaborative decision-making process. Here, however, EPA opted for political expediency instead, and jammed through a Final Determination in the waning days of the lame-duck Administration.

The EPA Determination suffers from many procedural and substantive flaws, any one of which would justify withdrawing the rule and reopening the rulemaking record. Among them are:

- Failure to follow EPA regulations requiring coordination with NHTSA. The Midterm Evaluation was designed so that the actions of EPA and NHTSA would be carefully coordinated every step of the way. As explained in the preamble to the 2012 rulemaking, "[i]order to align the agencies' proceedings for MYs 2022–2025 and to maintain a joint national program, if the EPA determination is that its standards will not change, NHTSA will issue its final rule concurrently with the EPA determination."[20] This requirement is codified at 40 C.F.R. § 86.1818-12(h)(1)(vii), which requires EPA's Midterm Evaluation to account for "[t]he impact of the greenhouse gas emission standards on the Corporate Average Fuel Economy standards and a national harmonized program." Without providing any justification for its doing so, EPA violated this central tenet of the Midterm Evaluation by finalizing its Determination more than a year before NHTSA's rulemaking is expected to be completed and acted contrary to its own regulations. NHTSA is currently in the middle of its rulemaking process for MY 2022-2025 fuel economy standards, and its decision will be based on more up-to-date information than EPA's. Consequently, there is a risk that NHTSA will reach a different conclusion from EPA concerning appropriate standards for MY 2022-2025. This is the antithesis of the One National Program that EPA agreed to.

- Needlessly accelerating the timeline for the GHG Midterm Evaluation. Prior to November 2016, EPA had repeatedly represented that it would propose its determination/rulemaking in the summer of 2017 and finalize its actions by April 2018. Based on these representations, Global Automakers and other

[19] 42 U.S.C. § 307(d)(5).
[20] 77 Fed. Reg. at 62,633.

members of the auto industry commissioned several studies concerning the baseline light duty fleets and the technologies necessary to meet the current MY 2022-2025 standards. EPA was informed that these studies will be important for its determination but would not be complete until the promised mid-2017 timeframe. Additionally, EPA was urged to delay its actions so that it could account for the most up-to-date information concerning the technologies needed to meet the standards, their costs, and their impacts on consumers—as NHTSA is doing with its rulemaking. EPA ignored these calls and finalized its determination based on a record that was far from complete solely to rob the incoming Administration of an opportunity to have input on this important matter.

- Failure to provide an adequate period for public comment. The Proposed Determination and the accompanying Technical Support Document consisted of almost 1,000 pages, and cited almost 1,100 references, many of which are new or significantly revised since the earlier Draft TAR. Additionally, EPA conducted 102 new runs of the computer models it uses to assess the effectiveness of fuel saving technologies. Thirty days is an insufficient time period for stakeholders to fully review, analyze, and prepare detailed comments on an action as significant and complex as EPA's Determination – especially in light of the intervening national holidays. EPA offered no reasoned explanation as to why it was short-circuiting the comment period on such an important agency action.

- Failure to address the GHG emission program as a whole. In its rush to finalize its Determination, EPA answered only half the question, *i.e.*, whether the numeric standards expressed in the footprint-based curves remain appropriate. However, the GHG regulations also include program flexibilities that automakers rely on to meet the standards. These flexibilities provide incentives for the early adoption of advanced fuel-saving technologies and help manufacturers smooth out annual variability in compliance over several model years. They are an important aspect of the One National Program, and they provide real and lasting environmental benefits. EPA's failure to look at the entire program as a whole was inconsistent with the very purpose of the Midterm Evaluation.

- Failure to respond adequately to comments concerning consumer acceptance, cost and technology effectiveness. EPA received more than 100,000 public comments on the Proposed Determination.[21] Many of the comments from industry focused on the extent to which lack of consumer acceptance may impact the ability to achieve the standards, as well as the costs and effectiveness of the necessary technologies. The fact that EPA finalized its Determination a mere ***13 days*** after the close of the comment period demonstrates that the agency could not have adequately responded to all of these comments. Indeed, a review of the final Determination and the Response to Comments reveals that EPA did not provide adequate responses to the many comments given.

[21] *See* Determination at 1.

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EPA's determination as to the appropriateness of the GHG emission standards for MY 2022 through 2025 was a significant action that will have wide-ranging implications for the automobile industry and the car-buying public. It was therefore important that EPA reach its decision based on an open and collaborative process, and only after fully considering all of the most up-to-date information concerning the costs and feasibility of the technologies necessary to meet the standards. Rather than adhering to such a process that it had agreed to and promised in 2012, EPA rushed through a Final Determination at the very end of the previous Administration. Therefore, we respectfully request that EPA: (a) withdraw the Determination, (b) reopen the record on the Midterm Evaluation, and (c) reset the timetable for EPA's actions so that they align with NHTSA's rulemaking.

Thank you for your prompt consideration of this matter.

Sincerely,

John Bozzella
President and CEO
Association of Global Automakers

cc: Secretary Elaine Chao, DOT
Kevin Green, DOT
Bill Charmley, EPA
Chris Grundler, EPA
Michael Olechiw, EPA
Rebecca Yoon, NHTSA
James Tamm, NHTSA
Alberto Ayala, CARB

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Fri Mar 03 15:01:13 EST 2017
Pruitt.Scott@epamail.epa.gov
Fw: Letter from NGOs about Mid-term Evaluation
To: CMS.OEX@epamail.epa.gov

For the Daily Reading File

Forwarded by Brian Hope

From: Jonna Hamilton <JHamilton@ucsusa.org>
Sent: Friday, March 3, 2017 1:36 PM
To: Pruitt, Scott
Subject: Letter from NGOs about Mid-term Evaluation

Administrator Pruitt,

Attached please find a letter from the heads of 8 Science, Energy, and Environment NGOs asking you not to roll back the Final Determination on light-duty vehicles.

Thanks,
Jonna

Jonna Hamilton
Senior Washington Representative
Clean Vehicles Program
Union of Concerned Scientists
1825 K Street NW, Suite 800
Washington, DC 20001
202-331-5451
JHamilton@ucsusa.org

March 3, 2017

Administrator Scott Pruitt
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20460

RE: Final Determination on the Appropriateness of the Model Year 2022-2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation

Dear Administrator Pruitt,

We write in strong support of the 2017 Final Determination on the Appropriateness of Model Year 2022-2025 Light Duty Vehicle Greenhouse Gas Emissions Standards. The decision to complete the Environmental Protection Agency's (EPA) Midterm Evaluation process is supported by an extremely robust record, presented in the Technical Assessment Report that EPA and the National Highway Transportation Safety Administration (NHTSA) jointly released in July 2016 as well as additional responses and analyses accompanying the Proposed Determination four months later. At every step in the process, the technical analyses clearly demonstrated that these standards remain appropriate and leverage low-cost, available technologies that reduce greenhouse gas emissions, save fuel, enhance our nation's energy security, and save American consumers money at the pump. The Agency should therefore decline requests from industry trade groups to withdraw this Final Determination, which would unnecessarily re-open the EPA's Midterm Evaluation.

This Final Determination, released January 13, 2017, came as a result of a thorough and open process of review and consultation over the course of years, drawing on independent technical analysis and multiple opportunities for public comment. EPA's analysts solicited input from a wide range of stakeholders, including automobile manufacturers and suppliers, and took seriously and responded to that input. The Technical Assessment Report (TAR) released last year, on which this Final Determination is largely based, relies on extensive technical and economic analysis by three government agencies of the most current data available, including teardown studies to estimate costs, extensive vehicle testing to assess the wide variety of technologies deployable to achieve the standards, and full-vehicle simulation to project forward even further advances. In addition, the agencies held extensive meetings with all of the auto manufacturers well before they started writing the TAR and continued to solicit input from them throughout the process, ensuring that the industry input to the final document was robust. The conclusion drawn from this data was clear: automakers can comply with the standards with available, cost-effective technology. Manufacturers are bringing new conventional technologies to the market on time and at a faster pace and lower cost than the Agency projected in the 2012 rulemaking. In fact, EPA's analysis shows that automakers could actually *surpass* the 2025 standards, but the Agency decided to forego strengthening the standards in favor of enhancing the certainty needed to promote industry investment. The Agency considered the full range of in-depth technical, scientific and socioeconomic analyses, including those provided by industry stakeholders. Critically, the Agency found no basis for weakening or reversing the standards,

instead finding a clear and compelling basis to make the determination that the current MY2022-2025 standards remain appropriate.

Withdrawing the Final Determination at this point would create new and unnecessary uncertainty to industry and consumers—and put at risk the very real benefits that Americans have gained from the Light Duty Vehicle Greenhouse Gas Emissions Standards. These standards have driven innovation that has cut carbon pollution and fuel use from the average car, truck, and SUV, resulting in real savings for the average new car buyer the moment the vehicle leaves the lot. This innovation from suppliers and manufacturers has created thousands of new American jobs: the automotive industry has added nearly 700,000 good jobs since 2009.[1] In the years to come, the standards are slated to add thousands more jobs with investment in the technologies needed to meet these standards and compete in the global marketplace, and many more jobs indirectly as a result of consumers' expenditure of fuel savings.[2] The warnings of automaker trade groups notwithstanding, these manufacturers are enjoying record sales while continuing to sell more and more efficient cars, trucks, and SUVs to their consumers. And importantly, these standards have resulted in nearly $35 billion in savings at the pump for Americans while continuing to reduce emissions—taken in total, the MY2012-2025 standards finalized and reaffirmed by the EPA stand to save consumers more than $1 trillion over the lifetimes of these vehicles while eliminating 5 billion tons of carbon pollution.[3]

The groups requesting withdrawal of the Final Determination continue to reference outdated and critically flawed studies. In their requests, the trade groups make several claims that are plainly at odds with the factual record and are inconsistent with the real-world track record of job creation, innovation, and consumer savings these standards have delivered. For example, there is no rational basis for the assertion that these standards could cost 1.1 million jobs, a number which rests upon false assumptions and economic models that are not internally consistent. In claiming that more advanced technologies would be required to meet the standards, the trade organizations single out one scenario of an industry analysis but ignore another from the same report which shows that, in fact, the standards can be met with conventional technologies. And to suggest that these standards adversely impact low-income individuals is not only at odds with the peer-reviewed literature but strains credulity, since these standards will reduce the fuel costs of those for whom gas prices are the greatest burden. There is an extensive and well-established body of evidence refuting these industry assertions, which EPA analyzed as part of its thorough review, and our organizations plan to communicate further evidence to the Agency underscoring the fallacies and shortcomings of the trade groups' claims.

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[1] Bureau of Labor and Statistics. Current Employment Statistics (National): CES3133600101, CES4244110001, CES8081112001.

[2] BlueGreen Alliance and American Council for an Energy-Efficient Economy. 2012. *Gearing Up: Smart Standards Create Good Jobs Building Cleaner Cars*. http://aceee.org/research-report/e127

[3] EPA, Final Rulemaking to Establish Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards: Regulatory Impact Analysis (2010) (Tables 5-3, 6-18)
EPA, Regulatory Impact Analysis: Final Rulemaking for 2017-2025 Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards (2012) (Tables 10-32, 10-35)
EPA, Proposed Determination on the Appropriateness of the Model Year 2022-2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation (2016) (Tables IV.6, IV.13)

EPA is empowered to protect the health and welfare of Americans and to preserve the natural environment. The Agency would be derelict in its duty if, as administrator, you discarded clear scientific and technical evidence that supports reaffirming the Light Duty Vehicle Greenhouse Gas Standards. The record is clear: this policy reduces pollution, saves consumers money, spurs the development of cleaner technologies, and reduces the risks of climate change. Any decision that runs contrary to this extensive, well-documented record would be arbitrary and unlawful.

Accordingly, we strongly urge you to leave undisturbed the Agency's science-based determination that these standards remain appropriate. We hope you will consider the robust body of data supporting the Final Determination, which will continue the Agency's record of progress on cutting emissions and protecting Americans.

Sincerely,

Kenneth Kimmell, President
Union of Concerned Scientists

Rhea Suh, President
Natural Resources Defense Council

Fred Krupp, President
Environmental Defense Fund

Margie Alt, Executive Director
Environment America

Michael Brune, Executive Director
Sierra Club

Dan Becker, Director
Safe Climate Campaign

Steve Nadel, Executive Director
American Council for an Energy-Efficient Economy

Gene Karpinski, President
League of Conservation Voters

CC:
Secretary Elaine Chao, DOT
Kevin Green, DOT
Chris Grundler, EPA
Bill Charmley, EPA
Michael Olechiw, EPA
James Tamm, NHTSA
Rebecca Yoon, NHTSA
Mary Nichols, CARB
Alberto Ayala, CARB
Annette Hebert, CARB
Mike McCarthy, CARB

Fri Mar 03 16:06:15 EST 2017
Pruitt.Scott@epamail.epa.gov
Fw: EPA letter
To: CMS.OEX@epamail.epa.gov

Forwarded by Brian Hope

For the Daily Reading File

From: Smith, Timothy <tsmith@bostontrust.com>
Sent: Friday, March 3, 2017 4:04 PM
To: Pruitt, Scott
Subject: FW: EPA letter

Since 1975, Walden Asset Management has specialized in managing portfolios for institutional and individual clients with a dual investment mandate: competitive financial returns and positive social and environmental impact. Walden is an industry leader in integrating ESG analysis into investment decision-making and company engagement to strengthen ESG performance, transparency and accountability. Walden is a division of Boston Trust & Investment Management Company, a PRI signatory.

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Timothy Smith
Director of Environmental Social and Governance Shareowner Engagement
Walden Asset Management
One Beacon Street, 33rd Floor | Boston, Massachusetts 02108
Phone: 617.726.7155 | Fax: 617.227.3664
tsmith@bostontrust.com | www.waldenassetmgmt.com

Timothy Smith
Director of Environmental Social and Governance Shareowner Engagement
Walden Asset Management
One Beacon Street, 33rd Floor | Boston, Massachusetts 02108
Phone: 617.726.7155 | Fax: 617.227.3664
tsmith@bostontrust.com | www.waldenassetmgmt.com

Walden Asset Management
Advancing sustainable business practices since 1975

March 3, 2017

Administrator Scott Pruitt
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Re. 2022-2025 Model Year Light-Duty Vehicle Greenhouse Gas Emission and Corporate Average Fuel Economy Standards; EPA–HQ–OAR–2015–0827

Dear Administrator Pruitt,

We would like to draw your attention to the attached letter from 40 investors with over $740 billion in assets under management, which expresses strong support for EPA's Proposed Determination to retain the current standards. Investors support the standards because they will strengthen the U.S. economy, provide the regulatory certainty needed to spur innovation, reduce both our dependence on oil and climate risk, save businesses and consumers money, and create jobs. Thank you for your careful consideration of this critical issue.

Sincerely,

Timothy Smith
Director of ESG Shareowner Engagement
Walden Asset Management
One Beacon Street
Boston, MA 02108

cc:
President Donald J. Trump
The White House
1600 Pennsylvania Ave.
Washington, D.C. 20500

Bill Charmley
U.S. Environmental Protection Agency
Fuel Emissions Laboratory/OAR
2565 Plymouth Road
Ann Arbor, MI 48105

A Division of Boston Trust & Investment Management Company
One Beacon Street Boston, Massachusetts 02108 617.726.7250 Fax: 617.227.2690

Christopher Grundler
U.S. Environmental Protection Agency
1200 Pennsylvania, N.W.
Mail Code 6401A
Washington, D.C. 20460

Michael Olechiw
U.S. Environmental Protection Agency
Fuel Emissions Laboratory/OAR
2565 Plymouth Road
Ann Arbor, MI 48105

Secretary Elaine Chao
U.S. Department of Transportation
1200 New Jersey Ave, S.E.
Washington, DC 20590

Rebecca Yoon
Office of Chief Counsel
National Highway Traffic Safety Administration
1200 New Jersey Avenue, S.E.
Washington, DC 20590

James Tamm
Department of Transportation
National Highway Traffic Safety Administration
1200 New Jersey Avenue, S.E.
Washington, DC 20590

Mike McCarthy
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Annette Herbert
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

January 6, 2016 (*update to December 30 letter)*

Administrator Gina McCarthy
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Secretary Anthony Foxx
U.S. Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

Re. Proposed Determination Regarding 2022-2025 Model Year Light-Duty Vehicle Greenhouse Gas Emission Standards; EPA-HQ-OAR-2015-0827

Dear Administrator McCarthy,

As long-term investors with over $740 billion in assets under management, we are writing to voice our strong support for EPA's Proposed Determination that the current standards for model years 2022-2025 (MY 2022-2025) Greenhouse Gas (GHG) Emissions standards remain appropriate.

The standards represent a critical opportunity to strengthen the U.S. economy and create jobs – both by benefiting the auto industry and by ensuring fuel cost savings, which in turn will increase spending on non-energy goods and services. In addition, given the critical role of strong standards in driving innovation, the standards will also help ensure the global competitiveness of the industry.

An economic analysis[1] commissioned by Ceres and produced by independent automotive industry analysts found that the current National Program would reduce risk for the Detroit Three and benefit suppliers. First, the study shows that the Detroit Three will remain profitable under the current standards under all fuel price scenarios considered - even under a very low $1.80 per gallon fuel price. Second, the current standards provide insurance for the Detroit Three automakers and their suppliers against future market losses in the event of a fuel price spike. Third, regulatory certainty is valuable to automakers, and especially the Tier One suppliers, who are making the majority of fuel-saving technology investments in research, development and production capacity; the standards will allow them to realize returns on their investments and avoid stranded costs. Fourth, the analysis found that the standards provide significant benefits to suppliers, which make up a significantly larger portion of the economy than the automakers, and employ over half a million Americans - over two and a half times more people than the automakers. Specifically, the study found that Tier One auto suppliers stand to gain

[1] http://www.ceres.org/files/analyst-brief-economic-effects-on-us-automakers-and-suppliers/at_download/file

about $90 billion in increased orders for fuel-saving technology under the current standards (in the 2014-2025 time frame). Fifth, weakening the standards could make the U.S. an outlier among global regulatory regimes, and put the Detroit Three at a disadvantage because it would undermine their ability to achieve economies of scale through increased use of global platforms.

Finally, strong standards will serve to mitigate the economic risks associated with our continuing dependence on oil as well as climate change. In light of the volatility of fuel prices, strong standards are needed in order to reduce transportation costs for businesses and consumers. In addition, climate change presents significant long-term risks to the global economy, and to investors across all asset classes. Strong standards will serve to mitigate that risk by providing significant GHG reductions; the MY 2022-2025 standards would save approximately 537 million metric tons of GHG emissions, and reduce oil use by 1.2 billion barrels.[2]

In sum, the standards will strengthen the U.S. economy, provide the regulatory certainty needed to spur innovation, reduce both our dependence on oil and climate risk, save businesses and consumers money, and create jobs. Accordingly, we urge that EPA issue a Final Determination preserving the MY 2022-2025 standards.

Sincerely,

California State Teachers' Retirement System
Office of the New York State Comptroller
New York City Office of the Comptroller
Office of the Connecticut State Treasurer
ACTIAM
Breckinridge Capitol Advisors
Trinity Health
Presbyterian Church U.S.A.
Dignity Health
Trilogy Global Advisors LP
Dana Investment Advisors
Miller/Howard Investments, Inc.
NEI Investments
Pax World Management LLC
Walden Asset Management
Everence and the Praxis Mutual Funds
Trillium Asset Management
Domini Impact Investments LLC
Reynders, McVeigh Capital Management, LLC
Mercy Investment Services
Seventh Generation Interfaith Inc

---

[2] Proposed Determination at 11
https://nepis.epa.gov/Exe/ZyPDF.cgi/P100OXEO.PDF?Dockey=P100OXEO.PDF

Sustainability & Impact Investing Group, Rockefeller Asset Management
First Affirmative Financial Network
Zevin Asset Management
The George Gund Foundation
Unitarian Universalist Association
Sonen Capital LLC
Green Century Capital Management
Friends Fiduciary Corporation
MissionPoint Partners
Arjuna Capital
Mennonite Education Agency
Tri-State Coalition for Responsible Investment
Sierra Club Foundation
Sisters of St. Dominic of Caldwell NJ
Christopher Reynolds Foundation
BVM Shareholder Education & Advocacy Group
ICCR (Interfaith Center on Corporate Responsibility)
Sisters of Saint Joseph of Chestnut Hill, Philadelphia, PA
Sisters of St. Francis of Philadelphia

Fri Mar 03 16:20:13 EST 2017
Pruitt.Scott@epamail.epa.gov
Fw: American Businesses Support EPA Final Determination on CAFE Standards
To: CMS.OEX@epamail.epa.gov

For the Daily Reading File

From: Anne Kelly <kelly@ceres.org>
Sent: Friday, March 3, 2017 4:13 PM
To: Pruitt, Scott
Subject: American Businesses Support EPA Final Determination on CAFE Standards

Dear Administrator Pruitt,

Please see the attached letter from the Business for Innovative Climate and Energy Policy (BICEP) coalition in support of the EPA's Final Determination for 2022-2025 Model Year Light-Duty Vehicle Greenhouse Gas Emission and Corporate Average Fuel Economy Standards.

Thank you for your consideration of this request. If you have any questions, please do not hesitate to reach out.

Sincerely,
Anne Kelly

Anne L. Kelly
Senior Program Director, Public Policy
Director, Business for Innovative Climate & Energy Policy [BICEP]
Ceres
99 Chauncy Street, 6th Fl. | Boston, MA 02111
T: 617-247-0700 x135 |
C: 781-354-6708
kelly@ceres.org | www.ceres.org/bicep

Ceres

BICEP BUSINESS for INNOVATIVE CLIMATE & ENERGY POLICY
a project of Ceres

BICEP Members:

Annie's Inc
Aspen Skiing Company
Aveda
Autodesk
Avon Products
Ben & Jerry's
Burton Snowboards
CA Technologies
Clif Bar
Dignity Health
eBay Inc.
Eileen Fisher
Fetzer Vineyards
Gap Inc.
General Mills
IKEA
JLL
KB Home
The Kellogg Company
Levi Strauss & Co.
LBrands
L'Oreal
Mars Incorporated
Nestle
New Belgium Brewing
Nike
The North Face
Outdoor Industry Association
Owens Corning
Patagonia
Portland Trail Blazers
Seventh Generation
Starbucks
Stonyfield Farm
Symantec
Timberland
Unilever
VF Corporation
Vulcan, Inc.

March 3, 2017

Administrator Scott Pruitt
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Re. 2022-2025 Model Year Light-Duty Vehicle Greenhouse Gas Emission and Corporate Average Fuel Economy Standards; EPA–HQ–OAR–2015–0827

Dear Administrator Pruitt,

As major U.S. businesses representing over $400 billion in annual revenue, we are writing to voice our strong support for respecting EPA's Final Determination that the standards currently in place for MY2022-2025 are appropriate. We urge you to reject calls to withdraw the Final Determination, which is based on an updated analysis that draws on a comprehensive and robust technical record, and confirms the Technical Assessment Report's (TAR) findings that meeting the current standards for model years 2022-2025 will be feasible and cost-effective, and that automakers are adopting fuel savings technologies at faster rates than anticipated. (Indeed, actual costs are lower than projected in the 2012 rule, and EPA determined that stronger standards would actually be feasible and cost effective). The Final Determination also establishes that the 2025 standards can be met with very low levels of strong hybridization and full electrification, all while preserving consumer choice and ensuring fuel cost savings in all sizes of vehicles. In addition, independent studies establish that the standards will benefit the auto industry, and drive job and economic growth. Independent analyses also find that the standards will create jobs and economic growth, and rebut opponents' claims that the standards will result in prohibitive vehicle prices.

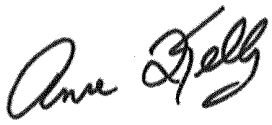
Given its size and connections to so many other sectors, the health of the auto industry has a significant impact on the broader economy. The current National Program represents a critical opportunity to strengthen our economy and create jobs – both by benefiting the auto industry and by ensuring fuel cost savings, which in turn will increase spending on non-energy goods and services. In addition, given the important role of strong standards in driving innovation, the standards will also help ensure the global competitiveness of the industry. Finally, given that transportation is now the largest source of GHG emissions in the U.S., strong clean car standards are imperative, both to meet our climate goals as well as our climate commitments under the Paris Agreement.

An economic analysis commissioned by Ceres and produced by independent automotive industry analysts Alan Baum and Dan Luria finds that the current National Program will reduce risk for the Detroit Three and benefit suppliers. First, the study shows that the Detroit Three will remain profitable under the current standards even at a very low $1.80 per gallon fuel price. Second, current standards provide insurance for the Detroit Three automakers and their suppliers against future market share losses in the event of a fuel price spike. Third, regulatory certainty is valuable to automakers, and especially to the Tier One suppliers that are making the majority of fuel-saving technology investments in research, development and production capacity by ensuring returns on their investments. Fourth, the analysis found that the standards provide significant benefits to suppliers, which stand to gain about $90 billion in increased orders under the standards. Notably, Tier One auto suppliers make up a significantly larger portion of the economy than the automakers, and employ over half a million Americans —more than two and a half times as many people as the automakers employ. Finally, weakening the standards could make the U.S. the outlier among global regulatory regimes, and put the Detroit Three at a disadvantage by undermining their ability to achieve economies of scale through increased use of global platforms. Another study, More Jobs per Gallon, commissioned by Ceres and authored by Management Information Services, found that the standards would create approximately 484,000 new jobs economy-wide, and that national gross economic output would be approximately $21.3 billion higher under the current standards. These study findings underscore the economic importance of the current standards to both automakers and suppliers, as well as to the broader economy.

Careful examination of the arguments made by those seeking to weaken the standards reveals flawed arguments and unsupported assumptions. For example, Ceres commissioned Baum and Luria to assess the argument that standards are making new vehicles unaffordable for the average consumer; Baum and Luria found that that the standards play a minor role in price increases. In fact, their analysis shows that the increased price of an average new car or truck is due to changes in consumer income distribution and preferences, as well as to automakers' own business strategies. Many expensive and profitable features have gone from optional to nearly universal on car companies' entire model line-up. Automakers are adding these additional luxury features in order to target the average new car buyer, whose income is 175% that of the median U.S. household, and who wants and is able to pay for those features. Providing higher-priced vehicles with higher trim levels has contributed to record profits for automakers, and the increasing sales of more profitable and larger crossover vehicles has been the major driver of the increase in new vehicles' prices, rather than costs associated with fuel economy regulations. Similarly, Baum and Luria analyzed an industry study claiming sales and job losses under the standards, and concluded that it was flawed and based on unfounded assumptions – for example, the industry study's outdated cost estimates are based on a 1991 study and incorrectly assumes that automakers will pass on all their costs to consumers. In contrast, the Final Determination is based on rigorous updated analyses and the draft TAR, which was issued jointly by the National Highway Safety Administration (NHTSA), the Environmental Protection Agency (EPA) and the California Air Resources Board, and is based on years of comprehensive and robust analysis informed by a wide range of industry stakeholders, the 2015 National Academy of Science report, a wide range of technical experts, and a variety of other stakeholders.

As successful American businesses, we know the importance of recognizing and seizing opportunities. We support staying the course on the standards because they represent an important opportunity to strengthen our economy, save consumers and businesses money, enhance the competitiveness of the American auto industry, and mitigate climate risk.

Sincerely,



Anne Kelly
On behalf of Business for Innovative Climate and Energy Policy [BICEP]
Director, BICEP

cc:

Secretary Elaine Chao
U.S. Department of Transportation
1200 New Jersey Ave, S.E.
Washington, DC 20590

Bill Charmley
U.S. Environmental Protection Agency
Fuel Emissions Laboratory/OAR
2565 Plymouth Road
Ann Arbor, MI 48105

Christopher Grundler
U.S. Environmental Protection Agency
1200 Pennsylvania, N.W.
Mail Code 6401A
Washington, D.C. 20460

Michael Olechiw
U.S. Environmental Protection Agency
Fuel Emissions Laboratory/OAR
2565 Plymouth Road
Ann Arbor, MI 48105

James Tamm
Department of Transportation
National Highway Traffic Safety Administration
1200 New Jersey Avenue, S.E.

Washington, DC 20590

Rebecca Yoon
Office of Chief Counsel
National Highway Traffic Safety Administration
1200 New Jersey Avenue, S.E.
Washington, DC 20590

Mike McCarthy
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Annette Herbert
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Dear ___:

Ex. 5 - Deliberative Process

To: Birgfeld, Erin[Birgfeld.Erin@epa.gov]; Ng, Brian[Ng.Brian@epa.gov]; Senn, John[Senn.John@epa.gov]; Charmley, William[charmley.william@epa.gov]
Cc: Simon, Karl[Simon.Karl@epa.gov]; Hengst, Benjamin[Hengst.Benjamin@epa.gov]; Cook, Leila[cook.leila@epa.gov]; Millett, John[Millett.John@epa.gov]
From: Orlin, David
Sent: Fri 3/10/2017 8:03:57 PM
Subject: RE: GHG Standards Q and A - due Monday

Ex. 5 - Attorney Client

David Orlin

U.S. EPA, Office of General Counsel

(202) 564-1222

From: Birgfeld, Erin
Sent: Friday, March 10, 2017 2:34 PM
To: Orlin, David <Orlin.David@epa.gov>; Ng, Brian <Ng.Brian@epa.gov>; Senn, John <Senn.John@epa.gov>; Charmley, William <charmley.william@epa.gov>
Cc: Simon, Karl <Simon.Karl@epa.gov>; Hengst, Benjamin <Hengst.Benjamin@epa.gov>; Cook, Leila <cook.leila@epa.gov>; Millett, John <Millett.John@epa.gov>
Subject: GHG Standards Q and A - due Monday

Hi gang,

Just so we are all on the same page, the press office asked OGC, OECA and OTAQ to weigh in on these Q and A's on the CAFÉ/GHG standards. Here is the initial draft for review. It still needs input from OTAQ technical staff, but though I'd share anyway. Nancy has asked that we provide input on Monday.

I am happy to consolidate input on Monday.

Thanks and have a great weekend.

Best,

Erin

From: Millett, John
Sent: Friday, March 10, 2017 10:16 AM
To: Drinkard, Andrea <Drinkard.Andrea@epa.gov>
Cc: Grantham, Nancy <Grantham.Nancy@epa.gov>; Kenny, Shannon <Kenny.Shannon@epa.gov>; Dravis, Samantha <dravis.samantha@epa.gov>; Dunham, Sarah <Dunham.Sarah@epa.gov>; Ng, Brian <Ng.Brian@epa.gov>; Senn, John <Senn.John@epa.gov>; Hengst, Benjamin <Hengst.Benjamin@epa.gov>; Birgfeld, Erin <Birgfeld.Erin@epa.gov>
Subject: Re: Q's that need A's

So we're all on the same page. Offices that should take first crack at the answers. --

1 --OGC

2 -- OECA

3 -- OAR

4 -- I'm not aware of the information necessary to respond to this.

John Millett

202.510.1822

On Mar 10, 2017, at 10:07 AM, Drinkard, Andrea <Drinkard.Andrea@epa.gov> wrote:

I'm adding Ben and Erin.

From: Grantham, Nancy
Sent: Friday, March 10, 2017 10:00 AM
To: Kenny, Shannon <Kenny.Shannon@epa.gov>; Dravis, Samantha <dravis.samantha@epa.gov>; Millett, John <Millett.John@epa.gov>; Drinkard, Andrea <Drinkard.Andrea@epa.gov>; Dunham, Sarah <Dunham.Sarah@epa.gov>; Ng, Brian <Ng.Brian@epa.gov>; Senn, John <Senn.John@epa.gov>; Grantham, Nancy <Grantham.Nancy@epa.gov>
Subject: Fwd: Q's that need A's

As part of our comms prep for cafe rollout next week - we need assistance with answers for these questions-- unfortunately on a fast turnaround - thx ng

Sent from my iPhone

Begin forwarded message:

> **From:** "Milbourn, Cathy" <Milbourn.Cathy@epa.gov>
> **Date:** March 10, 2017 at 9:45:56 AM EST
> **To:** "Grantham, Nancy" <Grantham.Nancy@epa.gov>, "Konkus, John" <konkus.john@epa.gov>
> **Cc:** "Milbourn, Cathy" <Milbourn.Cathy@epa.gov>, "Dewey, Amy" <Dewey.Amy@epa.gov>
> **Subject: Q's that need A's**
>
> Here are few questions. Nancy, are you sending this to OP or OAR?

Catherine C. Milbourn

Office of Media Relations

Office of the Administrator

U.S. EPA HQ

202-564-7849 (office)

202-420-8648 (mobile)

Milbourn.cathy@epa.gov

<CAFE Questions.docx>

To: Orlin, David[Orlin.David@epa.gov]; Ng, Brian[Ng.Brian@epa.gov]; Senn, John[Senn.John@epa.gov]; Charmley, William[charmley.william@epa.gov]
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From: Birgfeld, Erin
Sent: Fri 3/10/2017 7:34:03 PM
Subject: GHG Standards Q and A - due Monday
CAFE Questions 3-10.docx

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Cc: "Milbourn, Cathy" <Milbourn.Cathy@epa.gov>, "Dewey, Amy" <Dewey.Amy@epa.gov>
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Here are few questions. Nancy, are you sending this to OP or OAR?

Catherine C. Milbourn

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202-564-7849 (office)

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Milbourn.cathy@epa.gov

<CAFE Questions.docx>

To: Simon, Karl[Simon.Karl@epa.gov]; Grundler, Christopher[grundler.christopher@epa.gov]; Cook, Leila[cook.leila@epa.gov]; Hengst, Benjamin[Hengst.Benjamin@epa.gov]; Bunker, Byron[bunker.byron@epa.gov]
Cc: Charmley, William[charmley.william@epa.gov]
From: Birgfeld, Erin
Sent: Fri 3/10/2017 5:09:17 PM
Subject: RE: Q's that need A's

Hi Karl,

Ex. 5 - Deliberative Process

Ex. 5 - Deliberative Process

Thanks,

Erin

From: Simon, Karl
Sent: Friday, March 10, 2017 12:03 PM
To: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Grundler, Christopher <grundler.christopher@epa.gov>; Cook, Leila <cook.leila@epa.gov>; Hengst, Benjamin <Hengst.Benjamin@epa.gov>; Bunker, Byron <bunker.byron@epa.gov>
Cc: Charmley, William <charmley.william@epa.gov>
Subject: RE: Q's that need A's

Ex. 5 - Deliberative Process

Ex. 5 - Deliberative Process

From: Birgfeld, Erin
Sent: Friday, March 10, 2017 11:43 AM
To: Grundler, Christopher <grundler.christopher@epa.gov>; Cook, Leila <cook.leila@epa.gov>; Hengst, Benjamin <Hengst.Benjamin@epa.gov>; Bunker, Byron <bunker.byron@epa.gov>
Cc: Charmley, William <charmley.william@epa.gov>; Simon, Karl <Simon.Karl@epa.gov>
Subject: RE: Q's that need A's

Hi all,

Here are suggested responses for Q's 3 and 4. LMK if there are edits. Copying Byron to confirm the response to the first Q is 100% accurate.

-Erin

Ex. 5 - Deliberative Process

Ex. 5 - Deliberative Process

From: Grundler, Christopher
Sent: Friday, March 10, 2017 11:22 AM
To: Cook, Leila <cook.leila@epa.gov>; Hengst, Benjamin <Hengst.Benjamin@epa.gov>
Cc: Charmley, William <charmley.william@epa.gov>; Simon, Karl <Simon.Karl@epa.gov>; Birgfeld, Erin <Birgfeld.Erin@epa.gov>
Subject: RE: Q's that need A's

Ex. 5 - Deliberative Process

Christopher Grundler, Director

Office of Transportation and Air Quality

U.S. Environmental Protection Agency

202.564.1682 (Washington, DC)

734.214.4207 (Ann Arbor, MI)

From: Cook, Leila
Sent: Friday, March 10, 2017 10:59 AM
To: Hengst, Benjamin <Hengst.Benjamin@epa.gov>
Cc: Grundler, Christopher <grundler.christopher@epa.gov>; Charmley, William <charmley.william@epa.gov>; Simon, Karl <Simon.Karl@epa.gov>; Birgfeld, Erin <Birgfeld.Erin@epa.gov>
Subject: Re: Q's that need A's

Ex. 5 - Deliberative Process

Sent from my iPhone

On Mar 10, 2017, at 10:54 AM, Hengst, Benjamin <Hengst.Benjamin@epa.gov> wrote:

Stay tuned—Millett is figuring out who will be answering what. But take a look.

From: Drinkard, Andrea
Sent: Friday, March 10, 2017 10:07 AM
To: Grantham, Nancy <Grantham.Nancy@epa.gov>; Kenny, Shannon <Kenny.Shannon@epa.gov>; Dravis, Samantha <dravis.samantha@epa.gov>; Millett, John <Millett.John@epa.gov>; Dunham, Sarah <Dunham.Sarah@epa.gov>; Ng, Brian <Ng.Brian@epa.gov>; Senn, John <Senn.John@epa.gov>
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From: Hengst, Benjamin
Sent: Fri 3/10/2017 3:54:41 PM
Subject: FW: Q's that need A's
CAFE Questions.docx

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Cc: "Milbourn, Cathy" <Milbourn.Cathy@epa.gov>, "Dewey, Amy" <Dewey.Amy@epa.gov>
Subject: Q's that need A's

Here are few questions. Nancy, are you sending this to OP or OAR?

Catherine C. Milbourn

Office of Media Relations

Office of the Administrator

U.S. EPA HQ

202-564-7849 (office)

202-420-8648 (mobile)

Milbourn.cathy@epa.gov

To: Grundler, Christopher[grundler.christopher@epa.gov]
Cc: Charmley, William[charmley.william@epa.gov]
From: Simon, Karl
Sent: Fri 3/10/2017 1:07:36 AM
Subject: Re: Detroit News OPED and Stories

Thanks. Nice to see Robbie reflecting some of our thoughts.

Driving Innovation in Clean Transportation

On Mar 9, 2017, at 5:29 PM, Grundler, Christopher <grundler.christopher@epa.gov> wrote:

Christopher Grundler, Director

Office of Transportation and Air Quality

U.S. Environmental Protection Agency

202.564.1682 (Washington, DC)

734.214.4207 (Ann Arbor, MI)

From: Robbie Diamond [mailto:RDiamond@secureenergy.org]
Sent: Thursday, March 09, 2017 3:45 PM
To: Grundler, Christopher <grundler.christopher@epa.gov>
Subject: Detroit News OPED and Stories

Chris,

I hope you are ok. I am sure it is busy. I look forward to getting together soon.

Below are two of the stories I was quoted in, and we expect more based on interviews with me and some ESLC members. Prior to the stories is the OpEd out ESLC members authored about not fighting every war and losing the common battle.

I believe we are coming in to see the new Administrator on March 28.

Regards,

Robbie

<image004.jpg>

Column: Make energy security top goal

James T. Conway and David D. McKiernan

March 7, 2017

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<image005.jpg>

Enviros, lawmakers try to head off regulatory rollbacks

Camille von Kaenel

March 7, 2017

Environmental groups, lawmakers and national security advocates are trying to pre-empt any administration move to soften fuel economy standards by warning that such action would be caught up in lengthy litigation and create uncertainty for automakers.

As early as this week, U.S. EPA and the Transportation Department will begin reconsidering whether to loosen vehicle emissions standards by restarting a review that the Obama administration finalized in its final days.

The Trump administration is also considering revoking California's waiver to set its own, stronger vehicle emission rules, according to several media reports.

California, plus 12 states that have followed its lead, are ready to engage in a lengthy court battle to protect the status quo, environmental advocates warned.

There is no precedent or clause in the Clean Air Act for revoking a waiver that has already been granted. California leaders, including state Senate President Pro Tem Kevin de León (D), have vowed a fierce fight.

"California and other states would have a very strong legal counterattack, which also illustrates why this whole change in course is so counterproductive," said Ken Kimmell, president of the Union of Concerned Scientists.

"All it's going to do is tie everything up in litigation and put automakers in a worse place, which is having uncertainty on whether they need to meet these 2025 standards," he said.

'Swerving off a cliff'

It's unlikely that restarting the so-called midterm review — which would open the possibility for EPA to loosen existing 2025 targets for vehicle emissions — could itself be subject to legal challenge.

Still, the Obama administration's decision to close the review in an attempt to lock in 2025 rules turned the process into a lightning rod.

Twelve Democratic senators warned EPA Administrator Scott Pruitt in a letter today that reopening the review would "weaken our energy security, harm consumers, and increase global warming pollution."

They also said the move would "create needless uncertainty for the auto industry and hinder the industry's ongoing process."

Sen. Ed Markey (D-Mass.), who co-authored the 2007 legislation to increase fuel economy, told reporters during a conference call that "Auto companies want the standards to ease, but by jumping in a speeding car with the Trump administration, they're putting themselves in danger of swerving off a cliff."

Neither automakers nor the administration have signaled what outcome they want from the review, other than putting it back on schedule for completion by April 2018.

Car companies have long wanted to eliminate slight differences between the standards put forward by EPA, the National Highway Traffic Safety Administration and the California Air Resources Board to avoid any uncertainty.

Environmental advocates decried any possibility that the targets would ultimately be loosened, which would require a new rule. Greens said they would expect opposition to extend beyond the normal rulemaking process.

"If the Trump administration does want to weaken the standards, you can count on the fact that states would want to keep them and would join in a lawsuit to maintain them," said Kimmell.

The administration would have to put forward significant new data to back a conclusion different from the one by the Obama administration to overcome legal challenges, he said.

'Snapback'?

EPA, in a massive technical report last summer, found that automakers could continue to meet and exceed the standards with available and impending technologies at little extra

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Automakers say those findings do not take changing consumer preferences for big trucks over small, fuel-efficient cars enough into account.

Dan Becker, director of the Safe Climate Campaign, also warned about the possibility of a "snapback" to tighter rules after the Trump administration.

Securing America's Future Energy CEO Robbie Diamond, who advocates for fuel economy standards as a way of boosting national security and reducing dependence on foreign oil, warned that "just fighting court cases" might get in the way of reducing greenhouse gas emissions.

"California and the government should be fighting [OPEC] together," he said. "If we fight each one of these battles — who should regulate, and why should they regulate, or how many years should it be — each of these battles takes time, and we will ultimately lose the war."

Diamond said he has advised administration officials to use the new review to look at regulating transportation as a whole rather than just on a vehicle-by-vehicle basis.

The goal would be to better take into account the environmental and fuel-use benefits of autonomous vehicles and ride-sharing networks. The plan includes some relief for automakers and early planning for rules beyond 2025.

"Going back to the normal schedule is not the end of the world, but it can be used as an opportunity to bring new technologies to the table to be folded into the standards," said Diamond.

<image006.jpg>

Easing US fuel economy rules seen barely touching gasoline demand

Meghan Gordon and Brian Scheid

March 7, 2017

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EPA made a final determination a week before President Donald Trump's inauguration that US automakers are meeting the targets quicker and at lower costs than expected, leaving the industry more than able to meet the 2025 goal of 54.5 mpg.

Kevin Book, a managing director of ClearView Energy Partners, said freezing fuel economy standards at 2021 levels could increase US gasoline consumption by as much as 230,000 b/d. "We reiterate, however, that this seems likely to result only in shallower gasoline demand declines during the out years, and not a sign change (i.e., an absolute gasoline demand increase) for the better part of a next decade," Book said in a note to clients Tuesday.

Bob McNally, energy consultant and president of The Rapidan Group, said easing the

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Fatih Birol, executive director of the International Energy Agency, also indicated that any changes to fuel economy standards for lighter vehicles would have relatively little impact on global oil demand. "The growth in global oil demand comes from trucks, jets and petrochemicals where it is difficult to find alternatives to oil right now," Birol said Monday during a press conference at CERAWeek in Houston.

He said one-third of oil demand growth comes from Asian trucks, alone.

PREMIUM GASOLINE

Sandy Fielden, director of oil and products research at Morningstar Commodities and Energy, said he will be watching for two things to gauge US gasoline demand in relation to the CAFE standards -- whether consumers buy more SUVs, assuming prices stay reasonable, and whether changes to the rule

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require turbo chargers.

"Such devices require the use of higher octane gasoline to prevent 'early' ignition due to compression," Fielden said by email Monday. "So the current trend is for more cars requiring premium gas. That may be reversed if manufacturers don't need to improve efficiency."

California will be another major factor. The state has a waiver allowing it to set stricter tailpipe emission

standards than the national limit, but automakers have campaigned against it, arguing they cannot meet two different standards.

In 2007, the Bush administration denied the California waiver. The state then sued the Environmental Protection Agency, and the Obama administration ultimately reconsidered the waiver and approved it.

Some observers expect the Trump administration to revoke the waiver in response to pressure from automakers.

"I believe it is a credible threat and the ability of the federal government, but it should not be used at this time," said Robbie Diamond, president and CEO of Securing America's Future Energy, which focuses on reducing US oil import dependence as a means to improving national security.

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The agency accelerated the review to conclude during the Obama administration. An earlier timeline estimated the proposal would be released in late 2017 and a final determination made in April 2018.

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<image007.jpg>

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From: Grundler, Christopher
Sent: Thur 3/9/2017 10:29:42 PM
Subject: FW: Detroit News OPED and Stories

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GREENWIRE

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Camille von Kaenel

March 7, 2017

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S&P Global
Platts

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May be we should send Ryan Jackson a copy of the trends report

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Sent: Thursday, March 09, 2017 1:13 PM
To: Simon, Karl <Simon.Karl@epa.gov>; Charmley, William <charmley.william@epa.gov>
Subject: RE: CNBC: Trump's EPA chief says he's addressing a rule that automakers oppose 'very soon'

This inaccurate statement is very troubling:

"I think that what has been broken in that process is, one, not a recognition of the great progress that's been made with those standards, but two, those in Detroit, those that are manufacturing autos in this country, expressed to the EPA that they wanted to evaluate the impact of the previous standards. And that was largely disregarded."

Christopher Grundler, Director

Office of Transportation and Air Quality

U.S. Environmental Protection Agency

202.564.1682 (Washington, DC)

734.214.4207 (Ann Arbor, MI)

From: Simon, Karl
Sent: Thursday, March 09, 2017 1:06 PM
To: Grundler, Christopher <grundler.christopher@epa.gov>; Charmley, William <charmley.william@epa.gov>
Subject: FW: CNBC: Trump's EPA chief says he's addressing a rule that automakers oppose 'very soon'

Hearing that signature could be today or tomorrow

From: Moran, Robin
Sent: Thursday, March 09, 2017 10:48 AM
To: Midterm Review <Midterm_Review@epa.gov>; Charmley, William <charmley.william@epa.gov>; Simon, Karl <Simon.Karl@epa.gov>; Snapp, Lisa <snapp.lisa@epa.gov>
Subject: CNBC: Trump's EPA chief says he's addressing a rule that automakers oppose 'very soon'

http://www.cnbc.com/2017/03/09/trumps-epa-chief-says-he-will-address-fuel-economy-standards-very-soon.html

Environmental Protection Agency chief Scott Pruitt said Thursday he expects an announcement rolling back fuel economy rules "very soon."

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Trump has held several meetings with key executives since taking office, some of which have included the CEOs of Ford and General Motors.

— NBC News contributed to this report

Robin Moran

Senior Policy Advisor

U.S. EPA, Office of Transportation and Air Quality

2000 Traverwood Dr.

Ann Arbor, MI 48105

(734) 214-4781 (phone)

(734) 214-4821 (fax)

To: Simon, Karl[Simon.Karl@epa.gov]; Charmley, William[charmley.william@epa.gov]
From: Grundler, Christopher
Sent: Thur 3/9/2017 6:12:39 PM
Subject: RE: CNBC: Trump's EPA chief says he's addressing a rule that automakers oppose 'very soon'

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Sent: Thursday, March 09, 2017 10:48 AM
To: Midterm Review <Midterm_Review@epa.gov>; Charmley, William <charmley.william@epa.gov>; Simon, Karl <Simon.Karl@epa.gov>; Snapp, Lisa <snapp.lisa@epa.gov>
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U.S. EPA, Office of Transportation and Air Quality

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Ann Arbor, MI 48105

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(734) 214-4821 (fax)

To: Charmley, William[charmley.william@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]; Alson, Jeff[alson.jeff@epa.gov]
From: Moran, Robin
Sent: Thur 3/9/2017 3:50:56 PM
Subject: FW: CNBC: Trump's EPA chief says he's addressing a rule that automakers oppose 'very soon'

If you listen to the clip, at end he says "I'm listening to industry"...ah, I get it now, that's what he meant about listening.

From: Moran, Robin
Sent: Thursday, March 09, 2017 10:48 AM
To: Midterm Review <Midterm_Review@epa.gov>; Charmley, William <charmley.william@epa.gov>; Simon, Karl <Simon.Karl@epa.gov>; Snapp, Lisa <snapp.lisa@epa.gov>
Subject: CNBC: Trump's EPA chief says he's addressing a rule that automakers oppose 'very soon'

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To: Midterm Review[Midterm_Review@epa.gov]; Charmley, William[charmley.william@epa.gov]; Simon, Karl[Simon.Karl@epa.gov]; Snapp, Lisa[snapp.lisa@epa.gov]
From: Moran, Robin
Sent: Thur 3/9/2017 3:47:53 PM
Subject: CNBC: Trump's EPA chief says he's addressing a rule that automakers oppose 'very soon'

http://www.cnbc.com/2017/03/09/trumps-epa-chief-says-he-will-address-fuel-economy-standards-very-soon.html

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2000 Traverwood Dr.

Ann Arbor, MI 48105

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(734) 214-4821 (fax)

To: Midterm Review[Midterm_Review@epa.gov]
Cc: Charmley, William[charmley.william@epa.gov]
From: Moran, Robin
Sent: Tue 3/7/2017 7:14:00 PM
Subject: Greenwire article & Congressional Letter supporting Final Determination

FYI, in this latest Greenwire article there's a link to a letter signed by 12 Congressional reps supporting the FD.

http://www.eenews.net/assets/2017/03/07/document_gw_07.pdf

From: E&E News [mailto:ealerts@eenews.net]
Sent: Tuesday, March 07, 2017 1:45 PM
To: Moran, Robin <moran.robin@epa.gov>
Subject: March 7 -- Greenwire is ready

Read today's Greenwire on the web

AN E&E NEWS PUBLICATION

GREENWIRE — Tue., March 7, 2017

READ FULL EDITION

1.CLEAN WATER RULE:

Trump WOTUS rewrite 'could get to be very, very messy'

President Trump's plan for channeling the late Justice Antonin Scalia's views into an effort to overhaul the Obama administration's contentious Waters of the U.S. rule might lead to another legal quagmire.

TOP STORIES

2.FEDERAL AGENCIES:

Why Reagan's vaunted 'starve the beast' plan failed

3.EPA:

Ruckelshaus to Trump: Learn from Reagan's mistakes

4.OFFSHORE DRILLING:

Regulator hands over deep sea creatures to Smithsonian

TRANSITION

5.FUEL ECONOMY:

Enviros, lawmakers try to head off regulatory rollbacks

6.WHITE HOUSE:

Trump beefs up legal team

POLITICS

7.EPA:

Farm groups see downside to agency's budget squeeze

8.AIR POLLUTION:
States, groups blast proposal to ax popular diesel program
9.OIL AND GAS:
White House plagiarizes Exxon in statement praising company
CONGRESS
10.GRID:
Could Republican states-first plan upend infrastructure push?
11.CLIMATE:
2 more lawmakers join 'Noah's Ark' caucus
NATURAL RESOURCES
12.NATIONAL MONUMENTS:
Northeastern fishermen sue over Atlantic protections
13.NATIONAL MONUMENTS:
Patagonia launches Bears Ears ad campaign
14.FISHERIES:
NOAA finds several Hawaiian reef species overfished
15.DROUGHT:
Satellite images show drastic before-and-after storm impacts
16.SCIENCE:
Europe launches latest observation satellite
17.WILDLIFE:
1 of last 'big tusker' elephants killed by poachers
18.INVASIVE SPECIES:
Brits plan to kill American squirrels
LAW
19.DAKOTA ACCESS:
Court rejects tribe's religious bid to halt pipeline
20.PEOPLE:
EPA's longest-serving general counsel joins law firm
21.NEVADA STANDOFF:
Jury sent home early after tempers flare
CLIMATE CHANGE
22.RISING SEAS:
La. governor touts resilience plans, bids to diversify economy
ENERGY
23.PIPELINES:
Alaskan gas leak should be shut down — feds
24.TECHNOLOGY:
This seat cushion sops up oil spills
BUSINESS
25.TECHNOLOGY:
Advanced energy surges to match drug industry, surpass beer
AIR AND WATER
26.COAL:
Peabody moves away from self-bonding
27.WATER POLLUTION:
Levels of toxic metals near oil sands normal — studies
STATES
28.UTAH:
House OKs another Bears Ears resolution
29.PENNSYLVANIA:
Group pushes back on environmental budget cuts
30.IDAHO:

State Senate OKs plan to make Craters of the Moon national park

31. TEXAS:

Pork processor squelches 'hog apocalypse' for now

32. UTAH:

Air regulators take rare step to ask for governor's veto

INTERNATIONAL

33. CHINA:

Parched city hatches plan to pipe water from Siberia

Get all of the stories in today's Greenwire, plus an in-depth archive with thousands of articles on your issues, detailed Special Reports and much more at http://www.greenwire.com.
Forgot your passcodes? Call us at 202-628-6500 now and we'll set you up instantly.
To send a press release, fax 202-737-5299 or email editorial@eenews.net.

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To: Midterm Review[Midterm_Review@epa.gov]
Cc: Charmley, William[charmley.william@epa.gov]
From: Moran, Robin
Sent: Tue 3/7/2017 1:31:48 PM
Subject: FW: Company/Investor Letters in Support of EPA's GHG Vehicle Standards
BICEP Pruitt March 3 2017 letter.pdf
Investor PD letter Jan 6 update.pdf
Walden cover letter.pdf

FYI

From: Carol Lee Rawn [mailto:rawn@ceres.org]
Sent: Tuesday, March 07, 2017 8:30 AM
To: Moran, Robin <moran.robin@epa.gov>
Subject: Company/Investor Letters in Support of EPA's GHG Vehicle Standards

This went out last Friday - thank you.

https://www.ceres.org/press/press-releases/big-business-and-investors-urge-new-epa-chief-to-keep-mpg-and-ghg-standards-in-place

Big Business and Investors Urge New EPA Chief to Keep MPG and GHG Standards in Place

Efforts to weaken fuel-economy and GHG rules rules risk slowing the economy

For more information, contact

- Sara Sciammacco — Ceres | sciammacco@ceres.org | phone: +1 617-247-0700 x172

BOSTON Mar 03, 2017

Major U.S. businesses are urging the federal Environmental Protection Agency administrator Scott Pruitt to leave in place vehicle standards for passenger cars and light trucks.

In a letter delivered this week to Mr. Pruitt, the businesses pointed out that the standards are good for business and for the economy as a whole.

"We support staying the course on the standards because they represent an important opportunity to strengthen our economy, save consumers and businesses money, enhance the competitiveness of the American auto industry, and mitigate climate risk," reads the letter, which is from Ceres Business for Innovative Climate and Energy Policy (BICEP), a coalition of businesses representing $400 billion in annual revenue.

In addition, Walden Asset Management sent a letter to Mr. Pruitt signed by 40 investors with more than $740 billion in assets under management expressing strong support for retaining the current standards.

"These standards will create about 484,000 new jobs throughout the economy, while boosting national gross economic output by about $21 billion," said Anne Kelly, Senior Director of Policy at Ceres, citing numbers from More Jobs Per Gallon, a study commissioned by Ceres and authored by Management Information Services.

Automakers have been enjoying record profits even as they have continued to meet fuel-efficiency targets, producing an increasing number of advanced-technology vehicles that save consumers gas and money and benefit the industry. But now automakers are calling on Mr. Pruitt to again open up the standards, which are based on a robust technical record and significant stakeholder input.

"Rolling back the standards would be short-sighted," said Carol Lee Rawn, Transportation Director at Ceres.

Referencing Ceres-commissioned research by independent auto analysts Alan Baum and Dan Luria, Rawn added, "The standards help the U.S. auto industry stay competitive, profitable, and innovative — and are set to give auto-parts suppliers a boost of some $90 billion in additional orders."

Ceres is a non-profit sustainability organization that is mobilizing many of the world's largest companies and investors to take stronger action on climate change, water scarcity and other global sustainability challenges. Ceres directs the Investor Network on Climate Risk, a group of 120 institutional investors managing about $15 trillion assets focused on the business risks and opportunities of climate change and water scarcity. Ceres also engages with 100-plus companies, many of them Fortune 500 businesses, committed to sustainable business practices and the urgency for strong climate and clean energy policies.

###

Carol Lee Rawn

Director, Transportation Program

Ceres

99 Chauncy Street

Boston, MA 02111-1703

(T) 617-247-0700 ext. 112

(M) 617-388-7879

www.ceres.org

To: Charmley, William[charmley.william@epa.gov]
From: Alson, Jeff
Sent: Mon 3/6/2017 2:28:41 PM
Subject: FW: NY Times on the MTE

From: Helfand, Gloria
Sent: Saturday, March 04, 2017 11:47 AM
To: Midterm Review <Midterm_Review@epa.gov>
Subject: NY Times on the MTE

https://www.nytimes.com/2017/03/03/us/politics/trump-vehicle-emissions-regulation.html

Trump to Undo Vehicle Rules That Curb Global Warming

www.nytimes.com

The announcement, expected Tuesday, is a U-turn from Obama-era regulations on tailpipe emissions of carbon dioxide.

Gloria Helfand, Ph.D.

Assessment and Standards Division

Office of Transportation and Air Quality

U.S. Environmental Protection Agency

2000 Traverwood Drive

Ann Arbor, MI 48105

(734) 214-4688

To: Snapp, Lisa[snapp.lisa@epa.gov]
Cc: Simon, Karl[Simon.Karl@epa.gov]; Charmley, William[charmley.william@epa.gov]
From: Grundler, Christopher
Sent: Mon 3/6/2017 3:35:01 AM
Subject: Re: Trump to undo vehicle rules that curb global warming

Very interesting. Thx for sharing. Definitely do not think session should be canceled

Christopher Grundler, Director
Office of Transportation and Air Quality
U.S. Environmental Protection Agency
202/564-1682 (Washington DC)
734/214-4207 (Ann Arbor MI)

On Mar 5, 2017, at 10:22 PM, Snapp, Lisa <snapp.lisa@epa.gov> wrote:

Interesting conversation by the Asilomar crowd.

Sent phrom my iPhone

Begin forwarded message:

From: "Viera, John (J.J.)" <jviera@ford.com>
Date: March 5, 2017 at 7:00:12 PM EST
To: Amy M Jaffe <abmjaffe@ucdavis.edu>, "Giuliano, Genevieve" <giuliano@price.usc.edu>, 'Robert Noland' <rnoland@rutgers.edu>, "Leiby, Paul Newsome" <leibypn@ornl.gov>, "Greene, David" <dgreen32@utk.edu>, "Ayala, Alberto@ARB" <Alberto.Ayala@arb.ca.gov>, "Jacob.Ward@ee.doe.gov" <Jacob.Ward@ee.doe.gov>, Genevieve Giuliano <giuliano@usc.edu>, "tsturrentine@gmail.com" <tsturrentine@gmail.com>, "telipman@berkeley.edu" <telipman@berkeley.edu>, "snapp.lisa@epa.gov" <snapp.lisa@epa.gov>, "John Wallis" <jpwallis@ucdavis.edu>, "mqwang@anl.gov" <mqwang@anl.gov>, "Thomas S Turrentine" <tturrentine@ucdavis.edu>, "Niel.Golightly@shell.com" <Niel.Golightly@shell.com>, Steven S Cliff <sscliff@ucdavis.edu>, "rhwang@nrdc.org" <rhwang@nrdc.org>, Daniel Sperling <dsperling@ucdavis.edu>, "Viera, John (J.J.)" <jviera@ford.com>
Subject: RE: Trump to undo vehicle rules that curb global warming

Clearly there is much, rightful trepidation associated with this topic and being the lone automotive representative on this note, I will be respectfully short in my response. First of all I would like to say that what I have personally appreciated about Asilomar is that we have been able to discuss extremely challenging topics in a forum where

views are not always aligned, but nonetheless have resulted in excellent, respectful dialogue and in more cases than not, forward progress. My hope that will continue to be the case this year.

My suggestion on how to adjust either Session 7 or determine if another specific session is required as a result what eventually comes out of the White House and/or the EPA administration, should first wait until what does come out and an understanding of the potential implications. This forum has always shown that the right topics are discussed and the right participants are assembled to lead the discussion.

I do believe in the end that Session 7 should retain its focus on vehicle regulation, however if it is clear that the subject will be contentious, I would propose a co-chair approach. I would be happy to represent the industry and possibly get either Roland or Alberto to co-chair along with me. Just a thought. Again, it would be premature to lock all of this down at this point in time.

Thanks.

John J. Viera
Director, Sustainability & Vehicle Environmental Matters
Ford Motor Company
Phone: 313-32-36976 Cell: 313-805-3219
jviera@ford.com

From: Amy M Jaffe [mailto:abmjaffe@ucdavis.edu]
Sent: Saturday, March 04, 2017 4:34 PM
To: Giuliano, Genevieve; 'Robert Noland'; Leiby, Paul Newsome; Greene, David; Ayala, Alberto@ARB; rhwang@nrdc.org; Daniel Sperling
Cc: Jacob.Ward@ee.doe.gov; Genevieve Giuliano; tsturrentine@gmail.com; telipman@berkeley.edu; snapp.lisa@epa.gov; Viera, John (J.J.); John Wallis; mqwang@anl.gov; Thomas S Turrentine; Niel.Golightly@shell.com; Steven S Cliff
Subject: Re: Trump to undo vehicle rules that curb global warming

Hi all,

I find that it is good to move people off the traditional battle lines. What do I mean by that? For example, the new administration wants to have a major infrastructure program but will they build the right infrastructure for the future "traveler/ commuter?"

What do we need to know to build out proper infrastructure? Clearly, one has to think about future technologies and millennial purchasing and mobility patterns to make the right choices.

1) will cities continue on the path of pedestrian centers?

2) how will cities cope with rising congestion? Road pricing etc...

3) what role will multi=modal apps and shared mobility have on the kinds of cars people buy? What role will self-driving have on vehicle size and fuel choice, both for heavy duty trucks and for passenger cars.

The idea that the EPA is just going to undue some regs to help one or two car companies with a next year problem is pretty short sighted in terms of these questions and what they mean for the technologies car companies need to invest in and for what the implications are for the oil industry.

WHAT IS THE LONG RANGE TREND regardless of the policy setting as well as in the policy setting? Paul's article was stellar in bring this all to the forefront given the uncertainty and wide variation in results depending on technology and policy. But it could be urban policy, not federal policy, or both. Or maybe like Air BNB, the regulations tighten and people just ignore it because the app is convenient.

And we shouldn't assume just because the US will ban some technology adoption or mileage target, that it means it won't proliferate in Europe or China and become a competitiveness issue and get revisited in the US.

Thinking about what conditions-drivers will push the technology on anyway, regardless of policy is a fruitful area of discussion. And then thinking through the implications for infrastructure and for oil, definitely of interest to many different parties.

From: Giuliano, Genevieve <giuliano@price.usc.edu>
Sent: Saturday, March 04, 2017 10:06:34 AM
To: 'Robert Noland'; Leiby, Paul Newsome; Greene, David; Ayala, Alberto@ARB; rhwang@nrdc.org; Daniel Sperling
Cc: Jacob.Ward@ee.doe.gov; Amy M Jaffe; Genevieve Giuliano; tsturrentine@gmail.com; telipman@berkeley.edu; snapp.lisa@epa.gov;

jviera@ford.com; John Wallis; mqwang@anl.gov; Thomas S Turrentine; Niel.Golightly@shell.com; Steven S Cliff
Subject: RE: Trump to undo vehicle rules that curb global warming

I like David's suggestions, especially the first. The Asilomar audience is mostly supportive of the views expressed here, so I'm not sure anyone at the conference needs to be convinced re the costs and benefits of fuel efficiency regs. The challenge is how to get the word out to counter what is happening.

gg

Genevieve Giuliano

Ferraro Chair in Effective Local Government

Director, METRANS Transportation Center

Sol Price School of Public Policy

650 Childs Way

University of Southern California

Los Angeles, CA 90089-0626

P 213.740.3956

F 213.740.0001

From: Robert Noland [mailto:rnoland@rutgers.edu]
Sent: Saturday, March 04, 2017 9:50 AM
To: Leiby, Paul Newsome; Greene, David; Ayala, Alberto@ARB; rhwang@nrdc.org; Sperling, Dan@UCD
Cc: Jacob.Ward@ee.doe.gov; abmjaffe@ucdavis.edu; Genevieve Giuliano; tsturrentine@gmail.com; telipman@berkeley.edu; snapp.lisa@epa.gov; jviera@ford.com; jpwallis@ucdavis.edu; mqwang@anl.gov; tturrentine@ucdavis.edu; Niel.Golightly@shell.com; sscliff@ucdavis.edu
Subject: Re: Trump to undo vehicle rules that curb global warming

This is a big issue and it would be great to get someone to speak about how industry perverts knowledge. This has happened with lead paint/leaded gasoline, cigarettes, climate change, and now sugar and obesity.

Some reading for all on these issues:

http://www.merchantsofdoubt.org/

https://www.nytimes.com/2016/09/13/well/eat/how-the-sugar-industry-shifted-blame-to-fat.html

https://www.nytimes.com/2016/12/19/well/eat/a-food-industry-study-tries-to-discredit-advice-about-sugar.html

https://www.amazon.com/Lead-Wars-Politics-Americas-California/dp/0520273257

From: Leiby, Paul Newsome <leibypn@ornl.gov>
Sent: Saturday, March 4, 2017 12:03 PM
To: Greene, David; Ayala, Alberto@ARB; rhwang@nrdc.org; Sperling, Dan@UCD
Cc: Jacob.Ward@ee.doe.gov; abmjaffe@ucdavis.edu; giuliano@usc.edu; tsturrentine@gmail.com; telipman@berkeley.edu; snapp.lisa@epa.gov; jviera@ford.com; jpwallis@ucdavis.edu; mqwang@anl.gov; tturrentine@ucdavis.edu; Niel.Golightly@shell.com; Robert Noland; sscliff@ucdavis.edu
Subject: RE: Trump to undo vehicle rules that curb global warming

Without knowing if there is any flexibility or time in the agenda, David's suggestion of topics focusing on this issue sound good to me. It's astonishing to hear the claims that the 2022-2025 CAFE/GHG targets are too stringent to be practically achievable and enormously costly (w/o reference to benefits), after all the research in this area and all the technological progress achieved.

FYI, very interesting discussion this week on PRI's environmental show "Living on Earth" with Senator Sheldon Whitehouse (D-RI), about the factors preventing climate action he describes in his new book "Captured: The Corporate Infiltration of American Democracy." They include: unlimited corporate spending to influence policy since Citizen's United; alternative science, and a "1-2-3 step" strategy to challenge the merits of science-based policy in many areas. The "1-2-3 step" strategy is said to be "Deny the science. Question the motives, and exaggerate the costs."

Corporate Cash Derails Democracy

Living on Earth, 3/3/2017

He would be an amazing speaker, but obviously hard to get.

From: Greene, David [mailto:dgreen32@utk.edu]
Sent: Saturday, March 4, 2017 8:41 AM
To: Ayala, Alberto@ARB <Alberto.Ayala@arb.ca.gov>; rhwang@nrdc.org; Sperling, Dan@UCD <dsperling@ucdavis.edu>; Leiby, Paul Newsome <leibypn@ornl.gov>
Cc: Jacob.Ward@ee.doe.gov; abmjaffe@ucdavis.edu; giuliano@usc.edu; tsturrentine@gmail.com; telipman@berkeley.edu; snapp.lisa@epa.gov; jviera@ford.com; jpwallis@ucdavis.edu; mqwang@anl.gov; tturrentine@ucdavis.edu; Niel.Golightly@shell.com; rnoland@rutgers.edu; sscliff@ucdavis.edu
Subject: Re: Trump to undo vehicle rules that curb global warming

Friends,

I have two suggestions.

One is to hold an evening session addressing what the appropriate response of the transportation research community should be to the "alternative facts" movement's position on climate change.

The second is to devote a session to the fuel-economy GHG regulations and what the consequences of weakening or eliminating them would be. For example, our study for ORNL and the Energy Foundation showed that all income groups saved more on fuel than they spent on fuel economy technology in vehicles over the 1980-2014 period. And, the net savings relative to income were greatest for the lowest income groups and smallest for the highest. We just updated that study using all the cost estimates from previous NRC studies and confirmed the conclusion. We also estimated the

impacts of the 2025 standards through 2040 using the 2015 NRC study estimates and found the same result. All income groups get net $ savings, and the benefits are strictly progressive.

Just ideas.

Best,

David

From: Ayala, Alberto@ARB <Alberto.Ayala@arb.ca.gov>
Sent: Saturday, March 4, 2017 12:36 AM
To: rhwang@nrdc.org; Sperling, Dan@UCD; Greene, David; leibypn@ornl.gov
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Subject: RE: Trump to undo vehicle rules that curb global warming

Implications, you ask? Of course. It makes the session entirely a moot point. So we just got ourselves longer coffee breaks for that day.

-----Original Message-----
From: Leiby, Paul Newsome [leibypn@ornl.gov]
Received: Friday, 03 Mar 2017, 9:21PM
To: Sperling, Dan@UCD [dsperling@ucdavis.edu]; Greene, David [dgreen32@utk.edu]; Hwang, Roland [rhwang@nrdc.org]
CC: Amy M Jaffe [abmjaffe@ucdavis.edu]; Snapp, Lisa [snapp.lisa@epa.gov]; Tim Lipman [telipman@berkeley.edu]; Robert Noland [rnoland@rutgers.edu]; Ayala, Alberto@ARB [Alberto.Ayala@arb.ca.gov]; Niel.Golightly@shell.com [Niel.Golightly@shell.com]; tsturrentine@gmail.com [tsturrentine@gmail.com]; Steven S Cliff [sscliff@ucdavis.edu]; giuliano@usc.edu [giuliano@usc.edu]; Thomas S Turrentine [tturrentine@ucdavis.edu]; jviera@ford.com [jviera@ford.com]; John Wallis [jpwallis@ucdavis.edu]; mqwang@anl.gov [mqwang@anl.gov]; Jacob Ward [Jacob.Ward@ee.doe.gov]
Subject: Trump to undo vehicle rules that curb global warming

This initiative also said to specifically address the role of federal vs. state regulatory agencies. Not entirely unexpected, but still remarkable.
Implications for Asilomar content, particularly Session 7 on vehicle regulations and harmonization?
Paul

https://www.nytimes.com/2017/03/03/us/politics/trump-vehicle-emissions-regulation.html?_r=0

3/3/17
The announcement — which is expected as soon as Tuesday and will be made jointly by the Environmental Protection Agency administrator, Scott Pruitt, and the transportation secretary, Elaine L. Chao — will immediately start to undo one of former President Barack Obama's most significant environmental legacies.
...

The regulatory rollback on vehicle pollution will relax restrictions on tailpipe emissions of carbon dioxide and will not require action by Congress. It will also have a major effect on the United States auto industry.

Under the Obama administration's vehicle fuel economy standards, American automakers were locked into nearly a decade of trying to design and build ever more sophisticated fuel-efficient vehicles, including electric and hybrid models. The nation's largest auto companies told Mr. Trump last month that they found those technical requirements too burdensome.

The E.P.A. will also begin legal proceedings to revoke a waiver for California that was allowing the state to enforce the tougher tailpipe standards for its drivers.

Paul Leiby
ORNL

From: Daniel Sperling <dsperling@ucdavis.edu>
Sent: Friday, March 03, 2017 4:23:55 PM
To: Greene, David; Hwang, Roland
Cc: Amy M Jaffe; Snapp, Lisa; Tim Lipman; Robert Noland; Ayala, Alberto@ARB; Niel.Golightly@shell.com; tsturrentine@gmail.com; Steven S Cliff; giuliano@usc.edu; Leiby, Paul Newsome; Thomas S Turrentine; jviera@ford.com; John Wallis; mqwang@anl.gov; Jacob Ward
Subject: Session organizers for Asilomar 2017

Asilomar Organizing Committee:

Below are my suggested assignments to subcommittees to organize sessions (names are in **bold**). Please respond. These are based in part on responses to my previous email and what I know of your interests. This is my proposal. Let me know if you accept, or prefer to work on a different session (and be chair or not). The task for each subcommittee is to refine the focus of the session and to identify and help recruit specific speakers. I know some of you have political sensitivities in this new world, so we will be sure to keep your role on specific committees behind the screen.

Session 1: Amy and/or Roland (chair), Bob Noland, Steve Cliff

1. Introduction (What has changed? New technology, infrastructure, climate policy?)

a. Articulation of anti-globalization tend and what it means for energy/climate

b. Future of carbon policy (taxes, cap and trade, regs; Amy says: "James Baker and his climate task force recommending carbon taxes and Kate could reach out to Mr. Paulson, with two successive keynotes (Baker-Paulson task force person plus senior CA govt leader talking about why CA took a mixed approach";

c. Role of regulations: Bob Noland says I'm very skeptical of those that propose carbon taxes, as much as these could be an "economically efficient" and effective policy. I worry that this is a distraction from equally effective regulatory approaches.

d. Future of Paris agreement

e. Where will leadership on climate policy come from?

Session 2: David Greene and/or Amy (chair), Niel, Michael Wang

2. Global oil demand for transportation—forecasts; analyses of oil consumption, role of policy

a. When will oil demand peak, esp for transport, and what does it mean for climate, oil industry,

b. Address variations across china, India, and elsewhere

c. Role of policy, technology, markets?

Session 3: Paul Leiby (chair), John Viera, John Wall, (Dan Sperling)

3. Vehicle automation and shared mobility and what it means for energy and GHG emissions and vehicle use

Session 4: Tom Turrentine (chair), Roland, Alberto

4. Electrification of vehicles in US and globally

Session 5: Gen Giuliano (chair), John Wall, Jake?, Bob Noland? Lisa?

5. Sustainable freight—how to improve system and energy efficiency, and reduce GHGs and local pollution, including intermodal opportunities and innovation

Session 6: Tim Lipman (chair), David Greene, Steve Cliff

6. Infrastructure implications of energy/GHG changes—tax revenue from EVs and energy efficiency; new infrastructure for electricity charging and hydrogen fueling; public investment for shared mobility and vehicle automation

Session 7: Alberto and/or John Viera (chair), Lisa, Roland?

7. Future of vehicle regulation

a. how to handle EVs. upstream emissions, and changing vehicle usage (e.g. automation, sharing)

b. harmonization across, US, calif, EU, china, etc

Dan

To: Grundler, Christopher[grundler.christopher@epa.gov]; Simon, Karl[Simon.Karl@epa.gov]; Charmley, William[charmley.william@epa.gov]
From: Snapp, Lisa
Sent: Mon 3/6/2017 3:22:05 AM
Subject: Fwd: Trump to undo vehicle rules that curb global warming

Interesting conversation by the Asilomar crowd.

Sent phrom my iPhone

Begin forwarded message:

From: "Viera, John (J.J.)" <jviera@ford.com>
Date: March 5, 2017 at 7:00:12 PM EST
To: Amy M Jaffe <abmjaffe@ucdavis.edu>, "Giuliano, Genevieve" <giuliano@price.usc.edu>, 'Robert Noland' <rnoland@rutgers.edu>, "Leiby, Paul Newsome" <leibypn@ornl.gov>, "Greene, David" <dgreen32@utk.edu>, "Ayala, Alberto@ARB" <Alberto.Ayala@arb.ca.gov>, "Jacob.Ward@ee.doe.gov" <Jacob.Ward@ee.doe.gov>, Genevieve Giuliano <giuliano@usc.edu>, "tsturrentine@gmail.com" <tsturrentine@gmail.com>, "telipman@berkeley.edu" <telipman@berkeley.edu>, "snapp.lisa@epa.gov" <snapp.lisa@epa.gov>, "John Wallis" <jpwallis@ucdavis.edu>, "mqwang@anl.gov" <mqwang@anl.gov>, "Thomas S Turrentine" <tturrentine@ucdavis.edu>, "Niel.Golightly@shell.com" <Niel.Golightly@shell.com>, Steven S Cliff <sscliff@ucdavis.edu>, "rhwang@nrdc.org" <rhwang@nrdc.org>, Daniel Sperling <dsperling@ucdavis.edu>, "Viera, John (J.J.)" <jviera@ford.com>
Subject: RE: Trump to undo vehicle rules that curb global warming

Clearly there is much, rightful trepidation associated with this topic and being the lone automotive representative on this note, I will be respectfully short in my response. First of all I would like to say that what I have personally appreciated about Asilomar is that we have been able to discuss extremely challenging topics in a forum where views are not always aligned, but nonetheless have resulted in excellent, respectful dialogue and in more cases than not, forward progress. My hope that will continue to be the case this year.

My suggestion on how to adjust either Session 7 or determine if another specific session is required as a result what eventually comes out of the White House and/or the EPA administration, should first wait until what does come out and an understanding of the potential implications. This forum has always shown that the right topics are discussed and the right participants are assembled to lead the discussion.

I do believe in the end that Session 7 should retain its focus on vehicle regulation, however if it is clear that the subject will be contentious, I would propose a co-chair approach. I would be happy to represent the industry and possibly get either Roland or Alberto to co-chair along with me. Just a thought. Again, it would be premature to lock all of this down at this point in time.

Thanks.

John J. Viera
Director, Sustainability & Vehicle Environmental Matters
Ford Motor Company
Phone: 313-32-36976 Cell: 313-805-3219
jviera@ford.com

From: Amy M Jaffe [mailto:abmjaffe@ucdavis.edu]
Sent: Saturday, March 04, 2017 4:34 PM
To: Giuliano, Genevieve; 'Robert Noland'; Leiby, Paul Newsome; Greene, David; Ayala, Alberto@ARB; rhwang@nrdc.org; Daniel Sperling
Cc: Jacob.Ward@ee.doe.gov; Genevieve Giuliano; tsturrentine@gmail.com; telipman@berkeley.edu; snapp.lisa@epa.gov; Viera, John (J.J.); John Wallis; mqwang@anl.gov; Thomas S Turrentine; Niel.Golightly@shell.com; Steven S Cliff
Subject: Re: Trump to undo vehicle rules that curb global warming

Hi all,

I find that it is good to move people off the traditional battle lines. What do I mean by that? For example, the new administration wants to have a major infrastructure program but will they build the right infrastructure for the future "traveler/ commuter?"

What do we need to know to build out proper infrastructure? Clearly, one has to think about future technologies and millennial purchasing and mobility patterns to make the right choices.

1) will cities continue on the path of pedestrian centers?

2) how will cities cope with rising congestion? Road pricing etc...

3) what role will multi=modal apps and shared mobility have on the kinds of cars people buy? What role will self-driving have on vehicle size and fuel choice, both for heavy duty trucks and for passenger cars.

The idea that the EPA is just going to undue some regs to help one or two car companies with a next year problem is pretty short sighted in terms of these questions and what they mean for the technologies car companies need to invest in and for what the implications are for the oil industry.

WHAT IS THE LONG RANGE TREND regardless of the policy setting as well as in the policy setting? Paul's article was stellar in bring this all to the forefront given the uncertainty and wide variation in results depending on technology and policy. But it could be urban policy, not federal policy, or both. Or maybe like Air BNB, the regulations tighten and people just ignore it because the app is convenient.

And we shouldn't assume just because the US will ban some technology adoption or mileage target, that it means it won't proliferate in Europe or China and become a competitiveness issue and get revisited in the US.

Thinking about what conditions-drivers will push the technology on anyway, regardless of policy is a fruitful area of discussion. And then thinking through the implications for infrastructure and for oil, definitely of interest to many different parties.

From: Giuliano, Genevieve <giuliano@price.usc.edu>
Sent: Saturday, March 04, 2017 10:06:34 AM
To: 'Robert Noland'; Leiby, Paul Newsome; Greene, David; Ayala, Alberto@ARB; rhwang@nrdc.org; Daniel Sperling
Cc: Jacob.Ward@ee.doe.gov; Amy M Jaffe; Genevieve Giuliano; tsturrentine@gmail.com; telipman@berkeley.edu; snapp.lisa@epa.gov; jviera@ford.com; John Wallis; mqwang@anl.gov; Thomas S Turrentine; Niel.Golightly@shell.com; Steven S Cliff
Subject: RE: Trump to undo vehicle rules that curb global warming

I like David's suggestions, especially the first. The Asilomar audience is mostly supportive of the views expressed here, so I'm not sure anyone at the conference needs to be convinced re the costs and benefits of fuel efficiency regs. The challenge is how to get the word out to counter what is happening.

gg

Genevieve Giuliano

Ferraro Chair in Effective Local Government

Director, METRANS Transportation Center

Sol Price School of Public Policy

650 Childs Way

University of Southern California

Los Angeles, CA 90089-0626

P 213.740.3956

F 213.740.0001

From: Robert Noland [mailto:rnoland@rutgers.edu]
Sent: Saturday, March 04, 2017 9:50 AM
To: Leiby, Paul Newsome; Greene, David; Ayala, Alberto@ARB; rhwang@nrdc.org; Sperling, Dan@UCD
Cc: Jacob.Ward@ee.doe.gov; abmjaffe@ucdavis.edu; Genevieve Giuliano; tsturrentine@gmail.com; telipman@berkeley.edu; snapp.lisa@epa.gov; jviera@ford.com; jpwallis@ucdavis.edu; mqwang@anl.gov; tturrentine@ucdavis.edu; Niel.Golightly@shell.com; sscliff@ucdavis.edu
Subject: Re: Trump to undo vehicle rules that curb global warming

This is a big issue and it would be great to get someone to speak about how industry perverts knowledge. This has happened with lead paint/leaded gasoline, cigarettes, climate change, and now sugar and obesity.

Some reading for all on these issues:

http://www.merchantsofdoubt.org/

https://www.nytimes.com/2016/09/13/well/eat/how-the-sugar-industry-shifted-blame-to-fat.html

https://www.nytimes.com/2016/12/19/well/eat/a-food-industry-study-tries-to-discredit-advice-about-sugar.html

https://www.amazon.com/Lead-Wars-Politics-Americas-California/dp/0520273257

From: Leiby, Paul Newsome <leibypn@ornl.gov>
Sent: Saturday, March 4, 2017 12:03 PM
To: Greene, David; Ayala, Alberto@ARB; rhwang@nrdc.org; Sperling, Dan@UCD
Cc: Jacob.Ward@ee.doe.gov; abmjaffe@ucdavis.edu; giuliano@usc.edu; tsturrentine@gmail.com; telipman@berkeley.edu; snapp.lisa@epa.gov; jviera@ford.com; jpwallis@ucdavis.edu; mqwang@anl.gov; tturrentine@ucdavis.edu; Niel.Golightly@shell.com; Robert Noland; sscliff@ucdavis.edu
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Paul

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Paul Leiby
ORNL

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Sent: Friday, March 03, 2017 4:23:55 PM
To: Greene, David; Hwang, Roland
Cc: Amy M Jaffe; Snapp, Lisa; Tim Lipman; Robert Noland; Ayala, Alberto@ARB; Niel.Golightly@shell.com; tsturrentine@gmail.com; Steven S Cliff; giuliano@usc.edu; Leiby, Paul Newsome; Thomas S Turrentine; jviera@ford.com; John Wallis; mqwang@anl.gov; Jacob Ward
Subject: Session organizers for Asilomar 2017

Asilomar Organizing Committee:

Below are my suggested assignments to subcommittees to organize sessions (names are in **bold**). Please respond. These are based in part on responses to my previous email and what I know of your interests. This is my proposal. Let me know if you accept, or prefer to work on a different session (and be chair or not). The task for each subcommittee is to refine the focus of the session and to identify and help recruit specific speakers. I know some of you have political sensitivities in this new world, so we will be sure to keep your role on specific committees behind the screen.

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a. Articulation of anti-globalization tend and what it means for energy/climate

b. Future of carbon policy (taxes, cap and trade, regs; Amy says: "James Baker and his climate task force recommending carbon taxes and Kate could reach out to Mr. Paulson, with two successive keynotes (Baker-Paulson task force person plus senior CA govt leader talking about why CA took a mixed approach";

c. Role of regulations: Bob Noland says I'm very skeptical of those that propose carbon taxes, as much as these could be an "economically efficient" and effective policy. I worry that this is a distraction from equally effective regulatory approaches.

d. Future of Paris agreement

e. Where will leadership on climate policy come from?

Session 2: David Greene and/or Amy (chair), Niel, Michael Wang

2. Global oil demand for transportation—forecasts; analyses of oil consumption, role of policy

a. When will oil demand peak, esp for transport, and what does it mean for climate, oil industry,

b. Address variations across china, India, and elsewhere

c. Role of policy, technology, markets?

Session 3: Paul Leiby (chair), John Viera, John Wall, (Dan Sperling)

3. Vehicle automation and shared mobility and what it means for energy and GHG emissions and vehicle use

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6. Infrastructure implications of energy/GHG changes—tax revenue from EVs and energy efficiency; new infrastructure for electricity charging and hydrogen fueling; public investment for shared mobility and vehicle automation

Session 7: Alberto and/or John Viera (chair), Lisa, Roland?

7. Future of vehicle regulation

a. how to handle EVs. upstream emissions, and changing vehicle usage (e.g. automation, sharing)

b. harmonization across, US, calif, EU, china, etc

Dan

To: Charmley, William[charmley.william@epa.gov]; Simon, Karl[Simon.Karl@epa.gov]; Hengst, Benjamin[Hengst.Benjamin@epa.gov]; Cook, Leila[cook.leila@epa.gov]
From: Grundler, Christopher
Sent: Sat 3/4/2017 12:27:56 AM
Subject: Fwd: Draft notice
CAFE-FR-notice-joint-DOT-EPA notice DWS edits +OGC.DOCX
ATT00001.htm

FYI

Christopher Grundler, Director
Office of Transportation and Air Quality
U.S. Environmental Protection Agency
202/564-1682 (Washington DC)
734/214-4207 (Ann Arbor MI)

Begin forwarded message:

From: "Dunham, Sarah" <Dunham.Sarah@epa.gov>
Date: March 3, 2017 at 6:41:54 PM EST
To: "Millett, John" <Millett.John@epa.gov>, "Grundler, Christopher" <grundler.christopher@epa.gov>
Subject: Draft notice

Attached is the latest version I have of the draft notice. My understanding is that all the suggested edits you see in red line in this draft were accepted (at least within EPA).

To: Charmley, William[charmley.william@epa.gov]; Grundler, Christopher[grundler.christopher@epa.gov]; Cook, Leila[cook.leila@epa.gov]; Simon, Karl[Simon.Karl@epa.gov]
From: Hengst, Benjamin
Sent: Fri 3/3/2017 2:27:30 PM
Subject: Looks like announcement on "CAFE" going Monday at 10am

That's what I've heard so far. Details hard to come by, will let you know if I hear more, though it sounds like we know what the basic plan is.

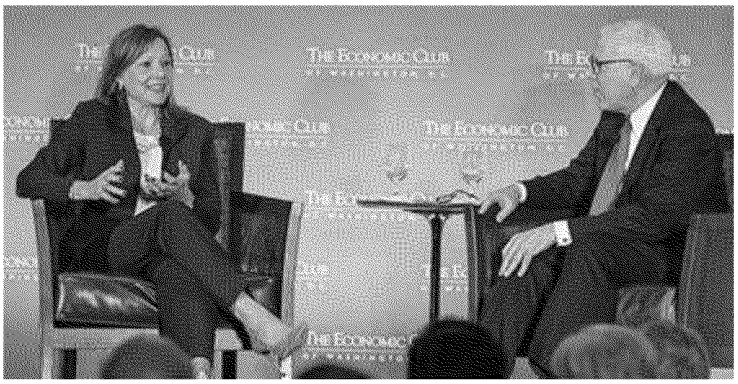
To: Charmley, William[charmley.william@epa.gov]; Midterm Review[Midterm_Review@epa.gov]; Orlin, David[Orlin.David@epa.gov]
From: Moran, Robin
Sent: Wed 3/1/2017 12:26:57 PM
Subject: Mary Barra quotes on MTE & harmonization

http://www.eenews.net/eenewspm/2017/02/28/stories/1060050700

GM chief asks for leniency on enviro regs

Camille von Kaenel, E&E News reporter

Published: Tuesday, February 28, 2017



General Motors Co. CEO Mary Barra speaks at the Economic Club today. Photo courtesy of @mtbarra via Twitter.

General Motors Co. CEO Mary Barra wants the Trump administration to cut the auto industry some slack on environmental regulations.

Barra called them one of the "key" issues she is bringing up with President Trump in meetings on manufacturing, trade and rules.

"Some of the regulations on the books right now compete with each other and will not allow us to go forward in a customer-facing way," she said at an Economic Club of Washington, D.C., luncheon today. "There's some adjustments that could be made to conflicting regulations that could be helpful."

Automakers have long complained about discrepancies between fuel economy standards set by the National Highway Traffic Administration and U.S. EPA. NHTSA has agreed to consider tweaks.

Barra and 16 other automotive executives have also asked Trump to officially reopen a review of fuel economy rules through 2025.

EPA finished the review more than a year ahead of schedule, in the last days of the Obama administration, with its decision to keep standards unchanged.

Automaker trade groups have asked EPA Administrator Scott Pruitt to reverse that decision and

consider more data before choosing among loosening, tightening or maintaining current rules.

Barra wouldn't say what she wanted as the outcome. "We're looking to actually have the midterm review that was scheduled for 2017 and '18, but we can look at all the different dynamics, what's customer sentiment, what are the new technologies," she said.

From: E&E News [mailto:ealerts@eenews.net]
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E&E NEWS PM — Tue., February 28, 2017

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Pruitt vows quick repeal following Trump order

U.S. EPA Administrator Scott Pruitt today vowed to quickly withdraw the Obama administration's contentious Clean Water Rule as President Trump signed an executive order directing the agency to review it.

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Utah governor doesn't raise Bears Ears repeal with Trump

3.NOMINATIONS:

Senate to push Zinke vote to tomorrow

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To: Alson, Jeff[alson.jeff@epa.gov]; Grundler, Christopher[grundler.christopher@epa.gov]; Simon, Karl[Simon.Karl@epa.gov]; Charmley, William[charmley.william@epa.gov]; Hengst, Benjamin[Hengst.Benjamin@epa.gov]; Birgfeld, Erin[Birgfeld.Erin@epa.gov]; Richards, David[Richards.David@epa.gov]; Mylan, Christopher[Mylan.Christopher@epa.gov]; Snapp, Lisa[snapp.lisa@epa.gov]; Hula, Aaron[Hula.Aaron@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]; Bolon, Kevin[Bolon.Kevin@epa.gov]; Yanca, Catherine[yanca.catherine@epa.gov]
From: Moran, Robin
Sent: Thur 2/23/2017 7:34:42 PM
Subject: NY Times: Automakers Call on E.P.A. Chief to Ease Fuel-Efficiency Standards

Includes some good quotes from Dan Becker.

https://www.nytimes.com/2017/02/22/business/energy-environment/automakers-pruitt-mileage-rules.html?hp&action=click&pgtype=Homepage&clickSource=story-heading&module=second-column-region&region=top-news&WT.nav=top-news&_r=0

Automakers Call on E.P.A. Chief to Ease Fuel-Efficiency Standards

President Trump has vowed to roll back regulations on business, and automakers are wasting no time in pushing his administration to make good on the promise.

Two lobbying groups representing auto manufacturers have written letters urging the new head of the Environmental Protection Agency, Scott Pruitt, to reverse a decision last month by the Obama administration to move forward with tougher fuel-economy standards that carmakers are supposed to meet by 2025.

Automakers contend the gas-mileage targets will be difficult and expensive to hit and will force them to produce more high-mileage cars at a time when most Americans are buying sport utility vehicles, trucks and other roomy models that are less fuel-efficient and more profitable.

The Obama administration's fuel-economy targets "threaten to depress an industry that can ill afford spiraling regulatory costs," Mitch Bainwol, the chief executive of the Alliance of Automobile Manufacturers, wrote in a letter on Tuesday. The group represents 12 manufacturers, including General Motors, Ford Motor and Fiat Chrysler Automobiles.

A second letter was sent by the Association of Global Automakers, which represents 12 foreign car companies with significant operations or sales in the United States.

Environmentalists said the lobbying groups overstated the difficulty and cost of reaching the 2025 targets, which require an average fuel-economy rating of 54.5 miles per gallon across a company's entire fleet sold in the United States. That number is based on a complicated formula, and automakers estimate it is the equivalent of about 40 miles per gallon in real-world driving.

"An increasing number of cars achieve the goal now," said Dan Becker, director of the Safe Climate Campaign, an advocacy group.

Vehicles already clearing that bar include hybrids like the Toyota Prius and electric cars — models that are drawing few buyers as gasoline sells for less than $3 a gallon. To comply with the 2025 targets, more popular models, like S.U.V.s, would need new technology, which could raise prices for consumers.

Mr. Becker also said fuel-economy improvements in the last several years had not stopped automakers from earning record profits. "The industry is just trying to take advantage of Trump's anti-regulation policies and put the health of people and the environment at risk," he said.

The Obama administration set the higher mileage standards in an effort to reduce tailpipe emissions and combat climate change, and as a means of reducing the country's dependence on foreign oil. Even if those targets are relaxed, the automakers will still need to comply with emissions rules set by California and several other states with tougher standards than the E.P.A.'s.

New fuel-economy targets were set in 2012 in an agreement reached by the Obama administration and automakers. The rule calls for steady increases in mileage, varying depending on the size of the vehicle and whether it is classified as a car or a light

While the automakers would all prefer more lenient targets than the 2025 ones, they differ on the specifics. Some have invested heavily in new technologies and would prefer to have the standards continue to rise, albeit more modestly, to help ensure a market for their advanced vehicles. Honda, Hyundai and Toyota are planning a range of hybrids, electric vehicles and cars powered by hydrogen fuel cells to sell within a few years.

Others, such as Fiat Chrysler, have a lineup heavy on trucks and S.U.V.s and would be better off with a significant rollback in fuel-economy requirements.

The letters from the manufacturer lobbying groups represent the latest push by carmakers for a reprieve from the emissions and fuel-economy standards. This month, 18 auto-company chief executives wrote a letter to Mr. Trump on the same issue.

During the presidential campaign, on Twitter and in campaign stops, Mr. Trump heavily criticized automakers, especially Ford, for investing in Mexico. He has also threatened to impose a border tax on imports from Mexico, where many cars sold in the American market are made, especially smaller, less profitable models.

But after the election, the president and automakers became more closely aligned. Ford won praise from Mr. Trump after it announced it was canceling plans to build a new plant in Mexico. Other automakers have also announced plans to add jobs and invest in the United States.

In January, Mr. Trump met with the chief executives of Ford, G.M. and Fiat Chrysler at the White House and encouraged them to add jobs in the United States in exchange for more favorable regulatory and tax policies.

Mr. Pruitt, the administrator of the E.P.A., is most likely predisposed to listen to automakers' concerns about fuel-economy targets. While Oklahoma's attorney general, Mr. Pruitt frequently sued the E.P.A. and worked closely with oil and gas companies fighting the agency's regulations.

The auto lobbying groups asked Mr. Pruitt to reopen a review of the 2025 fuel-economy targets that had been expected to last until early 2018. That review was cut short on Jan. 13 — seven days before Mr. Trump was inaugurated — when the outgoing administrator, Gina McCarthy, issued a "final determination" that the targets should remain in place.

Even if Mr. Pruitt reopens the review and ultimately sides with the industry, automakers will need to continue spending to develop fuel-saving technologies, given the mileage or emissions requirements in many states, as well as Europe and China, that manufacturers will have to meet. Those standards continue to get tougher.

"The rest of the world is still pressing ahead with higher standards," said Michelle Krebs, a senior analyst at Autotrader.com. "Even if they ease regulation in the U.S., companies will still have to do this to be compliant in other markets."

From: Alson, Jeff
Sent: Thursday, February 23, 2017 2:23 PM
To: Grundler, Christopher <grundler.christopher@epa.gov>; Simon, Karl <Simon.Karl@epa.gov>; Charmley, William <charmley.william@epa.gov>; Bunker, Byron <bunker.byron@epa.gov>; Hengst, Benjamin <Hengst.Benjamin@epa.gov>; Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Richards, David <Richards.David@epa.gov>; Snapp, Lisa <snapp.lisa@epa.gov>; Hula, Aaron <Hula.Aaron@epa.gov>; Ellies, Ben <ellies.ben@epa.gov>; Bunker, Amy <Bunker.Amy@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Bolon, Kevin <Bolon.Kevin@epa.gov>; Burke, Susan <Burke.Susan@epa.gov>

Subject: Positive editorial in Feb. 20 Automotive News

Below is a relevant and positive editorial in this week's Automotive News. I highlighted some of the most positive statements, but the entire editorial can be read in a couple of minutes.

Some other relevant info in this week's Automotive News

•□□□□□□□□ Some Nissan dealers in "green" areas who choose to push the Leaf are doing very well--the article cites a Boulder Nissan dealer who claims that Leafs represent 80% of his dealership's "car" sales and a Seattle dealer who sells more Leafs than Altimas

•□□□□□□□□ The 2018 manual Cruze diesel has an EPA label of 30/52 mpg, combined 37 mpg. The fuel economy for the automatic version will be slightly lower. This will likely be the highest fuel economy diesel, one of the highest highway ratings, and one of the highest non-EV/PHEV/HEV combined ratings.

•□□□□□□□□ UAW President Dennis Williams was cited as saying that the UAW has some differences with President Trump on the environment, but did not elaborate.

Industry must accept r&d cost for cleaner air, then charge for it

February 20, 2017 @ 12:01 am

7

Listening to the recent rhetoric from the Detroit 3, you'd think the auto industry had been bleeding red ink since striking the CAFE agreement with the Obama administration, sitting on acres of unsalable wind-powered golf carts and handing out pink slips by the millions.

On the contrary, the latest CAFE round has coincided with rather robust growth in jobs, sales, profits, horsepower and fuel economy.

These may not all be correlated, but clearly, higher profits, better product and environmental progress can coexist. The industry is far more capable

than its executives admit.

Case in point: The new Chevrolet Cruze diesel, which just notched a highway rating of 52 mpg. Assuming they're not cheating (alas, we must apply this boilerplate industrywide now), GM's engineers are achieving what the industry lobby suggests is too difficult.

Did GM have to mortgage its headquarters to hit that number? No, but it will charge a reasonable premium for the things that make its clean emissions and mpg miracle possible, pushing the car's price to about $25,000. The people who want it will have to pay for it.

And that's the right way to deal with the cost of fuel-saving technology. Don't backtrack or complain about it; we've come too far for that. Rather, accept it, itemize it on the vehicle sticker and charge for it. Let the consumer pay the price at the dealership and reap the rewards over time at the filling station.

Consumers who swear by their trucks -- which require ever-more-sophisticated efficiency solutions -- should be prepared to subsidize the investments that make big advances in efficiency possible. Call it a gas-guzzler tax, but this tax should accrue to the automakers and trickle down to r&d and the engineers who are actually getting the job done.

Ultimately, all of society must bear some cost for having contributed to global climate change and the deterioration of air quality.

Better to pay it in dollars than the way they do it in New Delhi and Beijing, by inching closer to death with every breath.

To: Simon, Karl[Simon.Karl@epa.gov]; Charmley, William[charmley.william@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]; Orlin, David[Orlin.David@epa.gov]; Kataoka, Mark[Kataoka.Mark@epa.gov]; Hengst, Benjamin[Hengst.Benjamin@epa.gov]
From: Dickinson, David
Sent: Thur 2/23/2017 3:03:37 PM
Subject: CARB Waivers - CA Senate Hearing, other press
2017SenateEnvironmentalQualityCommitteeTestimony.February 2017.FINAL.rmfrank.docx
lev_vs_zev_2017.pdf
waiver hearing_background_on_ltrhead2.pdf

Karl et al -

As you may know the CA Senate Environmental Quality Committee held a hearing yesterday (2/22) re the federal Clean Air Act and California Waivers – see:

http://senv.senate.ca.gov/informationalhearings

Attached are a few background documents associated with the hearing, it was also livestreamed and can be accessed online.

I also draw your attention to a CEI article below which sets out a course of action relating to the waiver and MTE, along with an article related to the hearing yesterday.

David D

Will Trump EPA Challenge California's De Facto Authority to Regulate Fuel Economy?

Marlo Lewis, Jr. • February 17, 2017

Former Oklahoma Attorney General Scott Pruitt is now Administrator of the U.S. Environmental Protection Agency (EPA). Pruitt led the coalition of 27 states, more than two dozen trade associations, and numerous non-profit groups who are challenging the legality of the Obama administration's marquee climate policy, the so-called Clean Power Plan (CPP). We can expect the Trump administration to take formal action soon to begin unraveling the CPP.

What about the "mobile source" side of Obama's climate policy legacy—the EPA and California's de-facto regulation of fuel economy via greenhouse gas (GHG) vehicle emission standards? Should we expect rollback to begin on that front as well?

At Pruitt's January 18 nomination hearing, Sens. Kamala Harris (D-Calif.) and Ed Markey (D-Mass.) pressed Pruitt for his position on California's authority under the Clean Air Act (CAA) to issue its own motor vehicle emission standards, which typically have been more stringent than federal standards. The Act authorizes California to set its own standards if the EPA grants the state a waiver of federal preemption.

Pruitt acknowledged California's statutory authority to issue motor vehicle emission standards, but would not commit in advance to grant future waiver requests. Asked by Harris about his "intention," Pruitt replied: "I don't know that, without going through the process to determine that, Senator, and would not want to presume the outcome." Asked by Markey whether he "supports the current California waiver for greenhouse gas standards," Pruitt said it "would be evaluated" but he would not "prejudge the outcome" at the hearing. You can read the Q&A's in full here.

This somewhat arcane matter is a very big deal. California has the largest auto market of any state. Moreover, the CAA's Section 177 authorizes other states to adopt standards for which California has been granted a waiver. "This ends up dictating the automobile market, something that has rankled some in the auto industry for decades," explains reporter Ingrid Lobet. "It's not uncommon for states representing 40 percent of the automobile market to choose California rules."

More importantly, unlike other auto emission standards, which apply to individual vehicles, greenhouse gas motor vehicle emission standards apply to entire classes of motor vehicles on average—rather like the federal Corporate Average Fuel Economy (CAFE) standards. Indeed, as explained below, motor vehicle GHG standards implicitly and substantially regulate fuel economy. Consequently, EPA waivers granted to California over the past eight years effectively make the state a full partner in determining both fuel economy standards and national climate policy for motor vehicles.

A review of previous GHG waivers should be part of the Trump administration's plans to roll back President Obama's climate policy regime. That may happen soon to address the "midnight waiver" outgoing that Obama EPA Administrator Gina McCarthy granted on December 29, 2016, allowing California to adopt GHG standards for model year (MY) 2014 and later medium- and heavy-duty trucks.

Waiver Process: Background

The Clean Air Act's Section 209(a) prohibits states, and subdivisions thereof, from adopting or attempting to enforce motor vehicle emission standards. However, CAA §209(b) directs the EPA to grant California a waiver of federal preemption if the state determines that its "standards will be, in the aggregate, at least as protective of public health and welfare as the federal standards." On the other hand, "No such waiver shall be granted if the Administrator finds" that:

1. California's protectiveness determination is "arbitrary and capricious";
2. The state "does not need such standards to meet compelling and extraordinary conditions"; or
3. The state standards and accompanying enforcement actions are "not consistent" with CAA §202, the provision authorizing EPA regulation of motor vehicle emissions.

That three-pronged test, at least as interpreted by the EPA, virtually guarantees every California waiver request will be granted. Although a particular California standard might be less stringent than the corresponding federal standard, there is essentially no chance California standards "in the aggregate" will be less "protective." Similarly, it is extremely unlikely California would ever enforce its standards inconsistently with the Clean Air Act.

California's "compelling and extraordinary conditions" refer to the state's peculiar topography, meteorology, and large number of vehicles, which make California air pollution problems more intractable than those of other states. Consequently, if "such standards" refer to California's separate vehicle emissions program *as a whole*, the state will always "need" said standards—at least until the air is so clean California would no longer ask for waivers anyway.

Unsurprisingly, the EPA has always granted California's waiver requests—with one notable exception. In March 2008, George W. Bush EPA Administrator Steven Johnson denied the state's request for a waiver to adopt GHG emission standards for motor vehicles. However, during her first days as Obama EPA Administrator, in February 2009, Lisa Jackson began a proceeding to reconsider Johnson's denial.
She granted the waiver five months later. In so doing, Jackson positioned the EPA and the California Air Resources Board (CARB) to coerce auto industry support for President Obama's climate policies.

Motor Vehicle GHG Standards Are De-Facto Fuel Economy Standards

Motor vehicle greenhouse gas standards implicitly and substantially regulate fuel economy. As the EPA and the National Highway Traffic Safety Administration (NHTSA) once acknowledged in a moment of candor, carbon dioxide (CO2) constitutes 94.9 percent of vehicular GHG emissions, and "there is a single pool of technologies ... that reduce fuel consumption and thereby CO2 emissions as well" (75 FR 25372). Greenhouse gas and mileage standards are so intimately related that the EPA, NHTSA, and CARB use vehicular CO2 emissions to calculate fuel economy standards.

Or consider CARB's 2004 *Staff Report* presenting the agency's plan to implement AB 1493, the state's GHG motor vehicle emissions statute. All of CARB's recommended technologies for reducing vehicular GHG emissions are fuel-saving technologies.

Even the text of AB 1493 implies that CARB is to regulate fuel economy. CARB's GHG standards are to be "cost-effective," defined as "Economical to an owner or operator of a vehicle, taking into account the full life-cycle costs of the vehicle." CARB reasonably interprets this to mean the standards must reduce lifetime vehicle "operating costs" more than they increase showroom sticker prices (Staff Report, p. 148). The overwhelming lion's share of "operating expenses" are expenditures for fuel. CARB cannot regulate motor vehicle GHGs in a cost-effective manner unless it regulates fuel economy.

How the 2009 Waiver Empowered the Obama Administration to Coerce the Auto Industry

Congress delegated the power to prescribe fuel economy standards to NHTSA, not the EPA. The EPA must be consulted, but its job is to enforce compliance with fuel economy standards, not determine them (Energy Independence and Security Act, Sec. 102). Moreover, the 1975 Energy Policy and Conservation Act (EPCA) expressly prohibits states from regulating fuel economy. Per EPCA, states "may not adopt or enforce laws or regulations related to fuel economy standards." That is a broad statement of preemption. It prohibits not only overt fuel economy standards but also any state law, regulations, or enforcement actions "related to" such standards.

The 2009 GHG waiver confronted the financially distressed auto industry with the existential threat of a market-balkanizing fuel economy "patchwork." You might be wondering how that could be so. Wouldn't there only be two sets of standards, California and federal, as is the case with other motor vehicle emission standards? On paper yes, but in practice, there could be as many different fuel economy regimes as there are states adopting the California standards.

Here's why. As noted above, under CAA §177, whenever the EPA grants California a waiver to adopt separate vehicle emission standards, it simultaneously enables other states to opt into the California program. The 2009 waiver thus deputized those states, too, to implicitly regulate fuel economy.

Again, fuel economy standards apply not to each individual vehicle but to entire fleets or segments of fleets *on average*. That means each automaker would have to reshuffle the mix of vehicles delivered for sale in each "California" state to achieve the same average fuel economy—the same average grams of CO2 per mile—as required in California. If all states opt into the California program, each automaker would have to continually adjust its production and sales to meet the same fleet average CO2/fuel economy standards in 50 separate markets—exactly the sort of chaos Congress enacted the EPCA preemption to prevent.

Having thus imperiled the auto industry, the Obama administration made automakers an offer they could not refuse. In closed-door negotiations run by Obama climate czar Carol Browner, the auto companies agreed to support the EPA's GHG motor vehicle emission standards and CARB's newfound role as fuel economy regulator in return for the assurance that California and other states would accept compliance with EPA standards as compliance with their own. Circumstantial evidence also suggests the Obama administration conditioned the availability of bailout money on automakers' support for a new "National Vehicle Program" jointly administered by the EPA, NHTSA, and CARB.

Dubbed the "Historic Agreement" by proponents, the deal paid off big time in June 2010. Sen. Lisa Murkowski (R-AK) had introduced a Congressional Review Act resolution of disapproval to overturn the legal force and effect of the EPA's Endangerment Rule—the legal prerequisite for the agency's motor vehicle GHG standards and all future climate policy rules. The resolution was defeated 47-53. Automakers were the most influential industry to lobby against the measure. They warned that if Congress were to overturn the Endangerment Rule, "the historic agreement creating the One National Program for regulating vehicle fuel economy and greenhouse gas emissions would collapse," subjecting automakers to "multiple standards"—a "compliance nightmare all across the country."

The defeat of the Murkowski resolution then allowed the EPA to adopt GHG standards for motor vehicles, which in turn teed up the agency's extension of CAA permitting programs to "major" stationary sources of GHG emissions.

Of course it's impossible to say whether the Murkowski resolution would have obtained the 51 votes needed to prevail had the auto industry lobbied for rather than against it. But the waiver undeniably gave the Obama administration a lever to divide and conquer industry opponents in the formative stage of the EPA's career as climate policymaker.

Time to Reconsider Jackson's Reconsideration

In his March 2008 denial of California's waiver request, Bush EPA administrator Johnson sensibly argued that California's "compelling and extraordinary conditions" are the state's geography, meteorology, and large mobile population, which cause severe "local and regional air pollution." Those California-specific conditions have no "close causal ties" to the "global air pollution" linked to climate change.

Johnson made three key points.

1. GHG concentrations are essentially uniform throughout the globe, and are not affected by California's geography and meteorology.
2. California's vehicles emit GHGs, but so do mobile and stationary sources throughout the world. The resulting "global pool" of GHG emissions is not any more concentrated in California than anywhere else.
3. Even if one assumes "extraordinary and compelling" refers not to the "global air pollution" itself but its potential impacts, such as heat waves, drought, and sea-

> level rise, California's vulnerability is not "sufficiently different" from the rest of the nation to merit waiving federal preemption of state emission standards. As my CEI colleague Sam Kazman quipped at the time, "They call it global warming, not California warming."

One might also simply ask why California needs a separate vehicle emissions program in the first place. Due to the aforementioned compelling and extraordinary conditions, the state has traditionally needed tougher motor vehicle emission standards to meet federal air quality standards. But CO2 is not an air quality contaminant, and federal air quality standards for GHGs do not exist. Hence the Clean Air Act rationale for California having its own vehicle emissions program has no intelligible application to GHG emissions.

In her rejection of Johnson's denial of the waiver, EPA Administrator Jackson argued that Johnson asked the wrong question. He asked whether California needs the specific standards for which it requested a waiver, whereas the test in CAA §209(b) is simply "whether California needs a separate motor vehicle emissions program" (74 FR 32759). However, that is a question to which the answer is known in advance. How convenient!

Jackson noted that in all previous waiver requests, the EPA only asked whether California continued to need its own separate program, not whether it needed the particular standard at issue. Johnson acknowledged that as well. However, he argued, there was an obvious justification for the perfunctory character of the EPA's "need" review in previous waiver requests. Previous requests were for emission standards addressing the local and regional air pollution created by the state's "compelling and extraordinary conditions." GHG standards do not address California-specific conditions.

The statutory language is vague enough to support Johnson's decision. The provision states: "No such waiver shall be granted if the Administrator determines ... that such State does not need such State standards to meet compelling and extraordinary conditions." The EPA assumes "such" refers to California's standards "in the aggregate"—that is, the vehicle emissions program as a whole. But it could also refer to the standards for which specific waivers are requested. Indeed, why should waivers that are not related to California's "compelling and extraordinary conditions" qualify for the same automatic approval as waivers that are?

If that had been Congress's intent, Congress would have written a different statute. As the Chamber of Commerce argued in its reply brief submitted to the D.C. Circuit Court of Appeals in November 2010:

But if Congress intended to give California free rein to add to its program any standard it chooses, subject only to a general assessment of the state's continuing need for that "program," the statute would look radically different. Rather than requiring Section 209(b)(1)(B) review each time California adopts a new "standard," the statute would limit EPA's role to periodic reviews of California's "need" for a "program" "as a whole," with EPA issuing a categorical preemption waiver at the completion of each review.

Likewise, if it were Congress's intent to permit California-specific standards that have nothing to do with California-specific "conditions," Congress would have omitted the requirement for "compelling and *extraordinary* conditions"—a term that plainly requires a comparison to conditions in other states or to the nation as a whole.

Moreover, while CAA §209(b) does not ask the EPA to consider the potential conflict between a California waiver request and other federal statutes, that is a proper concern of the President, who must take care that all laws of the United States be "faithfully executed." The EPA cannot approve state-level motor vehicle GHG programs without flouting the EPCA prohibition against state adoption or enforcement of laws or regulations "related to" fuel economy.

Trump's Opportunity

President Trump wants to revitalize U.S. manufacturing and end the EPA's regulatory overreach. An important short-term fix would be to put a stay on the EPA's Mid-Term Evaluation (MTE) of model year 2022-2025 fuel economy standards for passenger cars and light trucks, and reopen the MTE to consider lower GHG/Fuel Economy standards for MY 2022-2025.

As explained previously, on January 13, the EPA finalized the MTE 14 months ahead of schedule in order to confront President Trump with a fait accompli. The ultimate midnight regulation, the MTE would lock in GHG standards the agency tentatively adopted in 2012—more than a decade before millions of the covered vehicles are even manufactured.

The EPA's MTE is legally flawed. As the Auto Alliance points out, by issuing an MTE ahead of and uncoordinated with NHTSA's corresponding assessment, the agency flouted its obligation under the 2012 motor vehicle rule to implement a "harmonized single national GHG/Fuel Economy program in which the EPA and NHTSA, along with California's Air Resources Board ('ARB'), would issue their draft TAR [Technical Assessment Report] and subsequent MTE determinations at the same time." Most automakers also oppose the EPA's MTE on economic and technical grounds. They warn it will raise vehicle costs for model years 2022-2025 beyond what millions of prospective auto buyers are willing to pay (in an era of low gasoline prices).

Ultimately, though, President Trump's goal should be liberate the auto industry from the fear of a fuel economy "patchwork" that empowers CARB to push NHTSA and the EPA to continually ratchet up fuel economy standards regardless of vehicle affordability and consumer acceptance. The critical first step is for the EPA to commence a process to reconsider the March 2009 waiver that made California a full partner with the federal government in regulating fuel economy and determining climate policy for motor vehicles.

Fearing President Trump's next steps,

California lawmakers review their options under Clean Air Act

Chris Megerian

Sen. Bob Wieckowski (left) held a hearing on the Clean Air Act on Wednesday. (Rich Pedroncelli / Associated Press)

In a sign of uneasiness over President Trump's environmental agenda, state lawmakers hosted a hearing Wednesday to discuss how California's air quality policies rely on federal regulations.

Although the state is allowed to pursue stricter rules than federal standards under the nearly five-decade-old Clean Air Act, such steps require a waiver from the federal government. Trump's choice to lead the U.S. Environmental Protection Agency, former Oklahoma Atty. Gen. Scott Pruitt, has signaled he may be more skeptical of the state's requests than previous administrators, who granted requests nearly every time they were submitted.

“Nothing in the law has changed to justify the EPA withholding our waiver," said Senate President Pro Tem Kevin de León (D-Los Angeles), who testified at the hearing. "The only thing that has changed is the balance of political power in Washington, D.C."

The waivers have been an important tool for California's efforts to improve air quality in polluted areas and tackle global warming. Other states also can choose to follow California's lead, meaning waiver requests made from Sacramento can have nationwide implications.

“If Washington doesn’t want to lead on cleaning up our air or fighting climate change, it should stay out of our way," De León said.

In an interview after the hearing, Sen. Bob Wieckowski (D-Fremont) said it may be more difficult for California to hit its ambitious target for slashing greenhouse gas emissions without new waivers, particularly when it comes to requiring more zero emission vehicles in the state.

“I don’t know if we have any other choice if we’re going to meet these air quality standards," he said.

But absent a "good healthy relationship" with Washington, he said, "it’s probably better to delay" asking for additional waivers.

Although new requests may be tougher under the Trump administration, state regulators are less worried about legal threats to waivers that already have been granted.

“The state may not receive the same level of cooperation, but we anticipate that our existing waivers ... will not be significantly compromised," said Kurt Karperos, deputy executive officer at the California Air Resources Board.

However, the state could be in a bind if the federal government loosens rules under the Clean Air Act but refuses to grant California a waiver to keep the previous, higher standards.

"Then we're stuck," said Richard Frank, director of the California Environmental Law and Policy Center at the UC Davis.

David Dickinson

202-343-9256

Dickinson.David@epa.gov

To: Charmley, William[charmley.william@epa.gov]
From: Moran, Robin
Sent: Tue 2/21/2017 6:36:37 PM
Subject: RE: URGENT Letter from Alliance of Automobile Manufacturers to EPA Administrator G. Scott Pruitt

Bill,

Ex. 6 - Personal Privacy

Robin

From: Charmley, William
Sent: Tuesday, February 21, 2017 1:11 PM
To: Orlin, David <Orlin.David@epa.gov>; Kataoka, Mark <Kataoka.Mark@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Simon, Karl <Simon.Karl@epa.gov>; Alson, Jeff <alson.jeff@epa.gov>; Snapp, Lisa <snapp.lisa@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Hengst, Benjamin <Hengst.Benjamin@epa.gov>
Cc: Grundler, Christopher <grundler.christopher@epa.gov>
Subject: Fwd: URGENT Letter from Alliance of Automobile Manufacturers to EPA Administrator G. Scott Pruitt

Sent from my iPhone

Begin forwarded message:

From: Susan Conti <sconti@autoalliance.org>
Date: February 21, 2017 at 1:02:29 PM EST
To: "pruitt.scott@epa.gov" <pruitt.scott@epa.gov>, "pruitt.gscott@epa.gov" <pruitt.gscott@epa.gov>
Cc: "marianne.mcinerney@dot.gov" <marianne.mcinerney@dot.gov>, "grundler.christopher@epa.gov" <grundler.christopher@epa.gov>, Bill Charmley <charmley.william@epa.gov>, "olechiw.michael@epa.gov" <olechiw.michael@epa.gov>, "Kevin.Green@dot.gov" <Kevin.Green@dot.gov>, "james.tamm@dot.gov" <james.tamm@dot.gov>, "rebecca.yoon@dot.gov" <rebecca.yoon@dot.gov>, "annette.hebert@arb.ca.gov" <annette.hebert@arb.ca.gov>,

"michael.mccarthy@arb.ca.gov" <michael.mccarthy@arb.ca.gov>, Chris Nevers <CNevers@autoalliance.org>, "David Schwietert" <DSchwietert@autoalliance.org>, Gloria Bergquist <GBERGQUIST@autoalliance.org>, John Whatley <JWhatley@autoalliance.org>
Subject: URGENT Letter from Alliance of Automobile Manufacturers to EPA Administrator G. Scott Pruitt

Dear Administrator Pruitt:

The attached letter, on behalf of the Alliance of Automobile Manufacturers, requests that the U.S. Environmental Protection Agency (EPA) withdraw the Final Determination on the Appropriateness of the Model Year 2022-2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation (Final Determination) which was announced on January 13, 2017 but never published in the *Federal Register*.

The Alliance is not asking EPA to make a different Final Determination at this time. All we are asking is that EPA withdraw the Final Determination and resume the Midterm Evaluation, in conjunction with NHTSA, consistent with the timetable embodied in EPA's own regulations. We believe that, if carried out as intended, the Midterm Evaluation can lead to an outcome that makes sense for all affected stakeholders and for society as a whole.

The Alliance welcomes the opportunity for further dialogue. Please contact me at your earliest convenience to discuss this matter further. Thank you.

Mitch Bainwol

President and CEO

Ceres

BICEP BUSINESS for INNOVATIVE CLIMATE & ENERGY POLICY
a project of Ceres

BICEP Members:

Annie's Inc
Aspen Skiing Company
Aveda
Autodesk
Avon Products
Ben & Jerry's
Burton Snowboards
CA Technologies
Clif Bar
Dignity Health
eBay Inc.
Eileen Fisher
Fetzer Vineyards
Gap Inc.
General Mills
IKEA
JLL
KB Home
The Kellogg Company
Levi Strauss & Co.
LBrands
L'Oreal
Mars Incorporated
Nestle
New Belgium Brewing
Nike
The North Face
Outdoor Industry Association
Owens Corning
Patagonia
Portland Trail Blazers
Seventh Generation
Starbucks
Stonyfield Farm
Symantec
Timberland
Unilever
VF Corporation
Vulcan, Inc.

March 3, 2017

Administrator Scott Pruitt
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Re. 2022-2025 Model Year Light-Duty Vehicle Greenhouse Gas Emission and Corporate Average Fuel Economy Standards; EPA–HQ–OAR–2015–0827

Dear Administrator Pruitt,

As major U.S. businesses representing over $400 billion in annual revenue, we are writing to voice our strong support for respecting EPA's Final Determination that the standards currently in place for MY2022-2025 are appropriate. We urge you to reject calls to withdraw the Final Determination, which is based on an updated analysis that draws on a comprehensive and robust technical record, and confirms the Technical Assessment Report's (TAR) findings that meeting the current standards for model years 2022-2025 will be feasible and cost-effective, and that automakers are adopting fuel savings technologies at faster rates than anticipated. (Indeed, actual costs are lower than projected in the 2012 rule, and EPA determined that stronger standards would actually be feasible and cost effective). The Final Determination also establishes that the 2025 standards can be met with very low levels of strong hybridization and full electrification, all while preserving consumer choice and ensuring fuel cost savings in all sizes of vehicles. In addition, independent studies establish that the standards will benefit the auto industry, and drive job and economic growth. Independent analyses also find that the standards will create jobs and economic growth, and rebut opponents' claims that the standards will result in prohibitive vehicle prices.

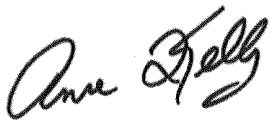
Given its size and connections to so many other sectors, the health of the auto industry has a significant impact on the broader economy. The current National Program represents a critical opportunity to strengthen our economy and create jobs – both by benefiting the auto industry and by ensuring fuel cost savings, which in turn will increase spending on non-energy goods and services. In addition, given the important role of strong standards in driving innovation, the standards will also help ensure the global competitiveness of the industry. Finally, given that transportation is now the largest source of GHG emissions in the U.S., strong clean car standards are imperative, both to meet our climate goals as well as our climate commitments under the Paris Agreement.

An economic analysis commissioned by Ceres and produced by independent automotive industry analysts Alan Baum and Dan Luria finds that the current National Program will reduce risk for the Detroit Three and benefit suppliers. First, the study shows that the Detroit Three will remain profitable under the current standards even at a very low $1.80 per gallon fuel price. Second, current standards provide insurance for the Detroit Three automakers and their suppliers against future market share losses in the event of a fuel price spike. Third, regulatory certainty is valuable to automakers, and especially to the Tier One suppliers that are making the majority of fuel-saving technology investments in research, development and production capacity by ensuring returns on their investments. Fourth, the analysis found that the standards provide significant benefits to suppliers, which stand to gain about $90 billion in increased orders under the standards. Notably, Tier One auto suppliers make up a significantly larger portion of the economy than the automakers, and employ over half a million Americans —more than two and a half times as many people as the automakers employ. Finally, weakening the standards could make the U.S. the outlier among global regulatory regimes, and put the Detroit Three at a disadvantage by undermining their ability to achieve economies of scale through increased use of global platforms. Another study, More Jobs per Gallon, commissioned by Ceres and authored by Management Information Services, found that the standards would create approximately 484,000 new jobs economy-wide, and that national gross economic output would be approximately $21.3 billion higher under the current standards. These study findings underscore the economic importance of the current standards to both automakers and suppliers, as well as to the broader economy.

Careful examination of the arguments made by those seeking to weaken the standards reveals flawed arguments and unsupported assumptions. For example, Ceres commissioned Baum and Luria to assess the argument that standards are making new vehicles unaffordable for the average consumer; Baum and Luria found that that the standards play a minor role in price increases. In fact, their analysis shows that the increased price of an average new car or truck is due to changes in consumer income distribution and preferences, as well as to automakers' own business strategies. Many expensive and profitable features have gone from optional to nearly universal on car companies' entire model line-up. Automakers are adding these additional luxury features in order to target the average new car buyer, whose income is 175% that of the median U.S. household, and who wants and is able to pay for those features. Providing higher-priced vehicles with higher trim levels has contributed to record profits for automakers, and the increasing sales of more profitable and larger crossover vehicles has been the major driver of the increase in new vehicles' prices, rather than costs associated with fuel economy regulations. Similarly, Baum and Luria analyzed an industry study claiming sales and job losses under the standards, and concluded that it was flawed and based on unfounded assumptions – for example, the industry study's outdated cost estimates are based on a 1991 study and incorrectly assumes that automakers will pass on all their costs to consumers. In contrast, the Final Determination is based on rigorous updated analyses and the draft TAR, which was issued jointly by the National Highway Safety Administration (NHTSA), the Environmental Protection Agency (EPA) and the California Air Resources Board, and is based on years of comprehensive and robust analysis informed by a wide range of industry stakeholders, the 2015 National Academy of Science report, a wide range of technical experts, and a variety of other stakeholders.

As successful American businesses, we know the importance of recognizing and seizing opportunities. We support staying the course on the standards because they represent an important opportunity to strengthen our economy, save consumers and businesses money, enhance the competitiveness of the American auto industry, and mitigate climate risk.

Sincerely,



Anne Kelly
On behalf of Business for Innovative Climate and Energy Policy [BICEP]
Director, BICEP

cc:

Secretary Elaine Chao
U.S. Department of Transportation
1200 New Jersey Ave, S.E.
Washington, DC 20590

Bill Charmley
U.S. Environmental Protection Agency
Fuel Emissions Laboratory/OAR
2565 Plymouth Road
Ann Arbor, MI 48105

Christopher Grundler
U.S. Environmental Protection Agency
1200 Pennsylvania, N.W.
Mail Code 6401A
Washington, D.C. 20460

Michael Olechiw
U.S. Environmental Protection Agency
Fuel Emissions Laboratory/OAR
2565 Plymouth Road
Ann Arbor, MI 48105

James Tamm
Department of Transportation
National Highway Traffic Safety Administration
1200 New Jersey Avenue, S.E.

Washington, DC 20590

Rebecca Yoon
Office of Chief Counsel
National Highway Traffic Safety Administration
1200 New Jersey Avenue, S.E.
Washington, DC 20590

Mike McCarthy
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Annette Herbert
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

January 6, 2017 (*update to December 3, 2016 letter)*

Administrator Gina McCarthy
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Secretary Anthony Foxx
U.S. Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

Re. Proposed Determination Regarding 2022-2025 Model Year Light-Duty Vehicle Greenhouse Gas Emission Standards; EPA–HQ–OAR–2015–0827

Dear Administrator McCarthy,

As long-term investors with over $740 billion in assets under management, we are writing to voice our strong support for EPA's Proposed Determination that the current standards for model years 2022-2025 (MY 2022-2025) Greenhouse Gas (GHG) Emissions standards remain appropriate.

The standards represent a critical opportunity to strengthen the U.S. economy and create jobs – both by benefiting the auto industry and by ensuring fuel cost savings, which in turn will increase spending on non-energy goods and services. In addition, given the critical role of strong standards in driving innovation, the standards will also help ensure the global competitiveness of the industry.

An economic analysis[1] commissioned by Ceres and produced by independent automotive industry analysts found that the current National Program would reduce risk for the Detroit Three and benefit suppliers. First, the study shows that the Detroit Three will remain profitable under the current standards under all fuel price scenarios considered - even under a very low $1.80 per gallon fuel price. Second, the current standards provide insurance for the Detroit Three automakers and their suppliers against future market losses in the event of a fuel price spike. Third, regulatory certainty is valuable to automakers, and especially the Tier One suppliers, who are making the majority of fuel-saving technology investments in research, development and production capacity; the standards will allow them to realize returns on their investments and avoid stranded costs. Fourth, the analysis found that the standards provide significant benefits to suppliers, which make up a significantly larger portion of the economy than the automakers, and employ over half a million Americans - over two and a half times more people than the automakers. Specifically, the study found that Tier One auto suppliers stand to gain

[1] http://www.ceres.org/files/analyst-brief-economic-effects-on-us-automakers-and-suppliers/at_download/file

about $90 billion in increased orders for fuel-saving technology under the current standards (in the 2014-2025 time frame). Fifth, weakening the standards could make the U.S. an outlier among global regulatory regimes, and put the Detroit Three at a disadvantage because it would undermine their ability to achieve economies of scale through increased use of global platforms.

Finally, strong standards will serve to mitigate the economic risks associated with our continuing dependence on oil as well as climate change. In light of the volatility of fuel prices, strong standards are needed in order to reduce transportation costs for businesses and consumers. In addition, climate change presents significant long-term risks to the global economy, and to investors across all asset classes. Strong standards will serve to mitigate that risk by providing significant GHG reductions; the MY 2022-2025 standards would save approximately 537 million metric tons of GHG emissions, and reduce oil use by 1.2 billion barrels.[2]

In sum, the standards will strengthen the U.S. economy, provide the regulatory certainty needed to spur innovation, reduce both our dependence on oil and climate risk, save businesses and consumers money, and create jobs. Accordingly, we urge that EPA issue a Final Determination preserving the MY 2022-2025 standards.

Sincerely,

California State Teachers' Retirement System
Office of the New York State Comptroller
New York City Office of the Comptroller
Office of the Connecticut Treasurer
ACTIAM
Breckinridge Capitol Advisors
Trinity Health
Presbyterian Church U.S.A.
Dignity Health
Trilogy Global Advisors LP
Dana Investment Advisors
Miller/Howard Investments, Inc.
NEI Investments
Pax World Management LLC
Walden Asset Management
Everence and the Praxis Mutual Funds
Trillium Asset Management
Domini Impact Investments LLC
Reynders, McVeigh Capital Management, LLC
Mercy Investment Services
Seventh Generation Interfaith Inc

[2] Proposed Determination at 11
https://nepis.epa.gov/Exe/ZyPDF.cgi/P100OXEO.PDF?Dockey=P100OXEO.PDF

Sustainability & Impact Investing Group, Rockefeller Asset Management
First Affirmative Financial Network
Zevin Asset Management
The George Gund Foundation
Unitarian Universalist Association
Sonen Capital LLC
Green Century Capital Management
Friends Fiduciary Corporation
MissionPoint Partners
Arjuna Capital
Mennonite Education Agency
Tri-State Coalition for Responsible Investment
Sierra Club Foundation
Sisters of St. Dominic of Caldwell NJ
Christopher Reynolds Foundation
BVM Shareholder Education & Advocacy Group
ICCR (Interfaith Center on Corporate Responsibility)
Sisters of Saint Joseph of Chestnut Hill, Philadelphia, PA
Sisters of St. Francis of Philadelphia

Walden Asset Management
Advancing sustainable business practices since 1975

March 3, 2017

Administrator Scott Pruitt
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Re. 2022-2025 Model Year Light-Duty Vehicle Greenhouse Gas Emission and Corporate Average Fuel Economy Standards; EPA–HQ–OAR–2015–0827

Dear Administrator Pruitt,

We would like to draw your attention to the attached letter from 40 investors with over $740 billion in assets under management, which expresses strong support for EPA's Proposed Determination to retain the current standards. Investors support the standards because they will strengthen the U.S. economy, provide the regulatory certainty needed to spur innovation, reduce both our dependence on oil and climate risk, save businesses and consumers money, and create jobs. Thank you for your careful consideration of this critical issue.

Sincerely,

Timothy Smith
Director of ESG Shareowner Engagement
Walden Asset Management
One Beacon Street
Boston, MA 02108

cc:
President Donald J. Trump
The White House
1600 Pennsylvania Ave.
Washington, D.C. 20500

Bill Charmley
U.S. Environmental Protection Agency
Fuel Emissions Laboratory/OAR
2565 Plymouth Road
Ann Arbor, MI 48105

A Division of Boston Trust & Investment Management Company
One Beacon Street Boston, Massachusetts 02108 617.726.7250 Fax: 617.227.2690

Christopher Grundler
U.S. Environmental Protection Agency
1200 Pennsylvania, N.W.
Mail Code 6401A
Washington, D.C. 20460

Michael Olechiw
U.S. Environmental Protection Agency
Fuel Emissions Laboratory/OAR
2565 Plymouth Road
Ann Arbor, MI 48105

Secretary Elaine Chao
U.S. Department of Transportation
1200 New Jersey Ave, S.E.
Washington, DC 20590

Rebecca Yoon
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1200 New Jersey Avenue, S.E.
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James Tamm
Department of Transportation
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Washington, DC 20590

Mike McCarthy
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Annette Herbert
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

January 6, 2016 (*update to December 30 letter)*

Administrator Gina McCarthy
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Secretary Anthony Foxx
U.S. Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

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Finally, strong standards will serve to mitigate the economic risks associated with our continuing dependence on oil as well as climate change. In light of the volatility of fuel prices, strong standards are needed in order to reduce transportation costs for businesses and consumers. In addition, climate change presents significant long-term risks to the global economy, and to investors across all asset classes. Strong standards will serve to mitigate that risk by providing significant GHG reductions; the MY 2022-2025 standards would save approximately 537 million metric tons of GHG emissions, and reduce oil use by 1.2 billion barrels.[2]

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Sincerely,

California State Teachers' Retirement System
Office of the New York State Comptroller
New York City Office of the Comptroller
Office of the Connecticut State Treasurer
ACTIAM
Breckinridge Capitol Advisors
Trinity Health
Presbyterian Church U.S.A.
Dignity Health
Trilogy Global Advisors LP
Dana Investment Advisors
Miller/Howard Investments, Inc.
NEI Investments
Pax World Management LLC
Walden Asset Management
Everence and the Praxis Mutual Funds
Trillium Asset Management
Domini Impact Investments LLC
Reynders, McVeigh Capital Management, LLC
Mercy Investment Services
Seventh Generation Interfaith Inc

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[2] Proposed Determination at 11
https://nepis.epa.gov/Exe/ZyPDF.cgi/P100OXEO.PDF?Dockey=P100OXEO.PDF

Sustainability & Impact Investing Group, Rockefeller Asset Management
First Affirmative Financial Network
Zevin Asset Management
The George Gund Foundation
Unitarian Universalist Association
Sonen Capital LLC
Green Century Capital Management
Friends Fiduciary Corporation
MissionPoint Partners
Arjuna Capital
Mennonite Education Agency
Tri-State Coalition for Responsible Investment
Sierra Club Foundation
Sisters of St. Dominic of Caldwell NJ
Christopher Reynolds Foundation
BVM Shareholder Education & Advocacy Group
ICCR (Interfaith Center on Corporate Responsibility)
Sisters of Saint Joseph of Chestnut Hill, Philadelphia, PA
Sisters of St. Francis of Philadelphia

To: Charmley, William[charmley.william@epa.gov]; Moran, Robin[moran.robin@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]; Bolon, Kevin[Bolon.Kevin@epa.gov]
From: Alson, Jeff
Sent: Wed 2/15/2017 4:38:37 PM
Subject: RE: Industry Chiefs to Trump: Give Us Clarity, Stability

The op ed and Detroit News quote take two different approaches, it will be interesting to see where he ends up.

From: Charmley, William
Sent: Wednesday, February 15, 2017 10:31 AM
To: Moran, Robin <moran.robin@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Bolon, Kevin <Bolon.Kevin@epa.gov>; Alson, Jeff <alson.jeff@epa.gov>
Subject: RE: Industry Chiefs to Trump: Give Us Clarity, Stability

Robin –

I had not seen this article in the Detroit News, but I did see the Borg Warner CEO James Verrier in the press yesterday – he wrote an editorial/commentary in Fortune, which I copied below;

http://fortune.com/2017/02/13/donald-trump-fuel-efficiency/

Commentary

auto

What's Blocking Adoption Of More Fuel-

Efficient Cars

James Verrier

Feb 13, 2017

As Donald Trump is now in office as America's new president, it's worth reminding the world that if his administration does indeed roll back regulations supporting clean vehicle technology, that does not mean that the progress will halt completely. The rate of improvement is what matters the most. There's a way to balance clean energy with the needs of consumers, automakers and governments.

The automotive industry has made progress towards a cleaner, more energy-efficient world. In the last decade alone, suppliers, manufacturers, government regulators and consumers have cooperated in unprecedented ways to ensure the vehicles we drive every day are cleaner and more efficient. One example is agreement on long-term fuel economy standards that provides the industry time to plan, make long-term business decisions and gives consumers a wide variety of vehicles that are increasingly more fuel-efficient. We should all work to continually build on this momentum.

In order to make the biggest positive impact on the environment, new technologies need to make their way into the mainstream quickly in a meaningful way — not in piecemeal, but in high volume. The technology can't be too advanced; too expensive or force consumers to compromise. This would turn them off and push them to delay their purchase. It is also not acceptable for the technology to be transparent and affordable, but make little improvement. It has to be just right.

The U.S. Federal regulations that have to be "just right" are called CAFE (Corporate Average Fuel Economy), which determine the required rate of light-vehicle fuel economy and CO_2 improvement through 2025 and are currently being debated. The debate must factor in costs and how likely consumers are willing to adopt new vehicles into their daily lives. It cannot be a decision based purely on what technology is available, which could set the rate too high. Nor can it be decided on a general notion that less regulation is good, which could disconnect us with the standards being pursued across the world. It is in the best interest of all those involved in the debate – automakers, industry groups and the administration -- to harmonize U.S. discussions with what's happening around the globe in order to efficiently make the biggest positive impact on the environment.

I believe there is a universal desire for clean, energy-efficient vehicles. While we cannot predict the future of CAFE regulations in the United States, our hope is that we embrace the progress we've made and work together to balance consumer demands with environmental needs. Focusing on the proper rate of improvements that result in high-volume technology solutions on the road quickly is good for consumers, the industry and the environment.

James Verrier is president and chief executive officer of BorgWarner Inc., a Fortune 500 company focused on clean and efficient propulsion technologies for combustion, hybrid and electric vehicles.

From: Moran, Robin
Sent: Wednesday, February 15, 2017 10:25 AM
To: Charmley, William <charmley.william@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Bolon, Kevin <Bolon.Kevin@epa.gov>; Alson, Jeff <alson.jeff@epa.gov>
Subject: FW: Industry Chiefs to Trump: Give Us Clarity, Stability

Borg Warner CEO says don't go backward on CAFE.

http://www.detroitnews.com/story/business/autos/2017/02/14/industry-chiefs-trump-give-us-clarity-stability/97915938/

Trump's willingness to reach out and speak directly to business leaders is a positive, said James Verrier, president and CEO of Borg Warner. At the same time, he said he wants Trump to leave progress made on Corporate Average Fuel Economy standards alone.

"Do not slow down the pace on CAFE standards," he said. "We've come a long way as an industry and we need to keep going forward. Don't go backwards and don't slow down."

From: NADA Headlines [mailto:nadaheadlines@nada.org]
Sent: Wednesday, February 15, 2017 10:20 AM
To: Moran, Robin <moran.robin@epa.gov>
Subject: Industry Chiefs to Trump: Give Us Clarity, Stability

View Web Version

SPONSORED BY

February 15, 2017

Inside this issue

Industry Chiefs to Trump: Give Us Clarity, Stability

Carmakers: Don't Overregulate Self-Driving Car Testing

U.S. Court Gives Initial Approval to Volkswagen Vehicle Emissions Settlement

Toyota Sees Plug-In Hybrids Catching on Faster than Conventional Hybrids

Feb. 16 Webinar: NADA and FTC to Discuss the Recently Revised Buyers Guide

2017 NADA Dealership Workforce Study Open for Participation

Hyundai Connects Soldiers with Their Families

Quotable

"Environmer awareness has become a bigger issue today than it was 20 years ago, and demand for environment conscious products has increased."

-- Toyota Motor Corp. Chairman Takeshi Uchiyamada, Reuters, Feb. 15

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Industry Chiefs to Trump: Give Us Clarity, Stability

The heads of major suppliers in the auto industry are looking for clarity and stability from a new presidential administration that, to date, has offered little of either. Despite Donald Trump's meetings with leaders of the country's top manufacturers — including the Detroit Three —the supporting network of parts suppliers remain uncertain of what's to come. Tuesday, during a meeting on mobility issues hosted by the Detroit Economic Club, the heads of three major auto suppliers offered their takes on what they need from the Trump administration.

Source: The Detroit News

[back to top]

Carmakers: Don't Overregulate Self-Driving Car Testing

Automakers pushed members of Congress on Tuesday to give them space to develop self-driving cars as lawmakers consider federal regulations for the emerging technology. Mike Abelson, vice president of global strategy at General Motors Co., told members of the U.S. House Energy and Commerce Committee that federal regulations for motor vehicles will have to be updated to clear the way for self-driving cars. He cautioned lawmakers about over-regulating the new technology.

Source: The Detroit News

[back to top]

U.S. Court Gives Initial Approval to Volkswagen Vehicle Emissions Settlement

Objectors can now raise any concerns before final hearing that could come as soon as May 11

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Source: The Wall Street Journal

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Source: Reuters

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Feb. 16 Webinar: NADA and FTC to Discuss the Recently Revised Buyers Guide

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open to dealers, dealership staff, dealer attorneys, dealership compliance professionals, and dealership forms providers. **Click here** to register.

Date: Thursday, Feb. 16, 2017
Time: 1 p.m. ET
Duration: 75 minutes
Source: NADA

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Source: NADA Dealership Operations

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Source: Automotive News

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-- Toyota Motor Corp. Chairman Takeshi Uchiyamada, Reuters, Feb. 15

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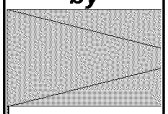

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NADA Chairman's Commentar

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From: Moran, Robin
Sent: Wed 2/15/2017 3:24:36 PM
Subject: FW: Industry Chiefs to Trump: Give Us Clarity, Stability

Borg Warner CEO says don't go backward on CAFE.

http://www.detroitnews.com/story/business/autos/2017/02/14/industry-chiefs-trump-give-us-clarity-stability/97915938/

Trump's willingness to reach out and speak directly to business leaders is a positive, said James Verrier, president and CEO of Borg Warner. At the same time, he said he wants Trump to leave progress made on Corporate Average Fuel Economy standards alone.

"Do not slow down the pace on CAFE standards," he said. "We've come a long way as an industry and we need to keep going forward. Don't go backwards and don't slow down."

From: NADA Headlines [mailto:nadaheadlines@nada.org]
Sent: Wednesday, February 15, 2017 10:20 AM
To: Moran, Robin <moran.robin@epa.gov>
Subject: Industry Chiefs to Trump: Give Us Clarity, Stability

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February 15, 2017

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Top Stories

Industry Chiefs to Trump: Give Us Clarity, Stability

The heads of major suppliers in the auto industry are looking for clarity and stability from a new presidential administration that, to date, has offered little of either. Despite Donald Trump's meetings with leaders of the country's top manufacturers — including the Detroit Three —the supporting network of parts suppliers remain uncertain of what's to come. Tuesday, during a meeting on mobility issues hosted by the Detroit Economic Club, the heads of three major auto suppliers offered their takes on what they need from the Trump administration.

Source: The Detroit News

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Carmakers: Don't Overregulate Self-Driving Car Testing

Automakers pushed members of Congress on Tuesday to give them space to develop self-driving cars as lawmakers consider federal regulations for the emerging technology. Mike Abelson, vice president of global strategy at General Motors Co., told members of the U.S. House Energy and Commerce Committee that federal regulations for motor vehicles will have to be updated to clear the way for self-driving cars. He cautioned lawmakers about over-regulating the new technology.

Source: The Detroit News

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Source: Automotive News

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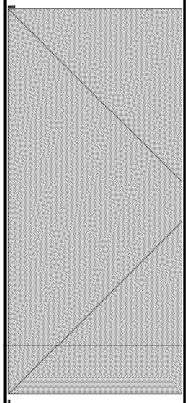

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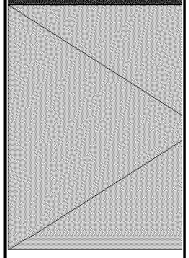

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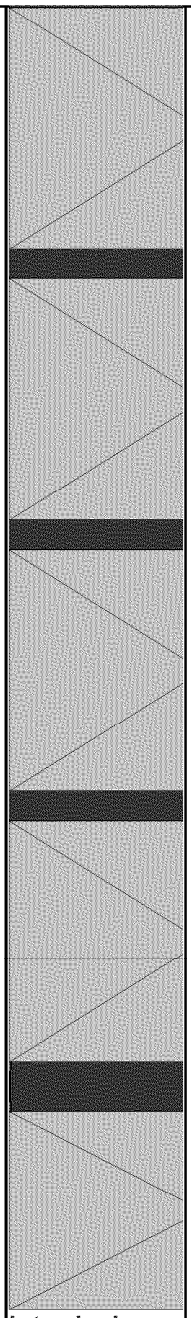

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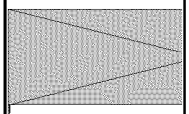

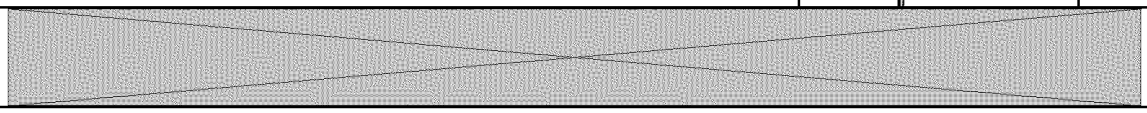

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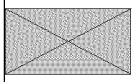

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From: Richards, David
Sent: Tue 2/14/2017 2:59:13 PM
Subject: OTAQ Daily News Brief

OTAQ Daily News Brief

****Welcome everyone to OTAQ's daily news listserv. The OTAQ Daily News Brief compiles articles from around the world focused on our office's work; this includes everything from light duty/heavy duty vehicles, electric vehicles, air quality studies, aircrafts, boats and ships, to alternative fuels, and of course, climate change. If you'd like to be removed or would like to add another person to the listserv please contact David Richards at richards.david@epa.gov. Feedback welcomed. Thanks and enjoy!**

Biodiesel Magazine

US biodiesel interests gear up for court battle over RFS volumes

In continuation of the ongoing legal dispute over volumes set by the U.S. EPA under the renewable fuel standard (RFS) vs. statutory volumes required by Congress, the National Biodiesel Board filed a petition Feb. 10 asking the U.S. Court of Appeals to review EPA's final volume standards for 2017 and the biomass-based diesel volume set for 2018. "This is essentially a continuation of last year's petition," said Anne Steckel, vice president of federal affairs for the National Biodiesel Board. Last year, NBB joined several other parties to challenge EPA's final RFS volumes the agency set for 2014-'16. One of NBB's arguments is that EPA unjustifiably reduced overall advanced biofuel volumes in the 2014-'16 ruling based on its authority in the cellulosic waiver. "Congress sought to increase 'production' of renewable fuels and could not have intended EPA to base RFS volumes using an analysis so complex that EPA admittedly 'cannot make reliable predictions,'" NBB argued in a reply brief filed Jan. 30. "EPA ignored Congress's directives. Its approach has not 'prioritized' growth in advanced biofuels, as Congress envisioned. It prioritizes reducing obligated parties' compliance costs. That approach deserves no deference. EPA eschewed the statute's language, structure, and goals to give itself broad discretion. It ignored the weight of the evidence in favor of conclusory (and erroneous) statements—hallmarks of arbitrary action."

The Hill

Dems probe Trump adviser Icahn's role in ethanol policy

Senate Democrats are investigating the role that President Trump's adviser Carl Icahn is playing in setting the administration's ethanol policy. The Democrats are concerned that Icahn, a prolific investor whose holding company owns more than 80 percent of fuel refiner CVR Energy, is using his advisory role to steer ethanol policies in his favor. Sen. Sheldon Whitehouse (D-R.I.) and six of his colleagues wrote to White House counsel Don McGahn Monday, asking for details about what Icahn's interactions with the Environmental Protection Agency (EPA), how he influenced Trump's decision to pick Scott Pruitt to lead the agency, whether Icahn is recusing himself from some matters and more. Details that have been reported about Icahn and his role in the administration "suggest a conflict of interest between Mr. Icahn and advice he gave President Trump on the nomination of Mr. Pruitt," the senators wrote. "They further suggest he will be actively working to change RFS regulations to benefit CVR. And with a sprawling business empire and potentially unlimited portfolio in the administration to address 'strangling regulations,' Mr. Icahn's role presents an unacceptable risk of further real or potential conflicts of interest absent immediate and thorough steps to address them."

NPR

Rollout Of Chevy Bolt May Mark Turning Point For Electric Car Market

The Chevrolet Bolt EV, which is now hitting the market, could be the first of a new wave of game-changing electric vehicles. Its longer range and lower price could attract new buyers to the electric car market, but there's uncertainty over whether federal tax incentives will continue and whether California will be allowed to keep tougher emissions rules under President Trump. GM is marketing the Bolt as a small crossover. It has the footprint of a sub-compact and the interior space of a standard car. More important is its range of 238 miles and price tag of $30,000, after the $7,500 federal tax credit offered on electric vehicles. Currently, the only other all-electric cars for sale with that kind of range are Teslas, which cost upwards of $70,000. "In all our research, we've talked to consumers, and really that 200-mile EV range at the affordable price was kind of the tipping point for them to really consider this a mainstream vehicle, so we went after that," says Darin Gesse. GM is rolling out the Bolt in phases: It's currently available in California, Oregon, Maryland, Virginia and Massachusetts, and will be in all 50 states by the fall.

Auto World News

Why Electric Vehicles Will Dominate the Future of Transportation

Global car manufacturers are now realizing the potential of electric vehicles. Enthusiasts continue to be optimistic about them and skeptics are slowly beginning to understand its impact on both the economy and the environment. Electric vehicles and the future. It all began with Tesla's introduction to the automotive industry with its high-performance all-electric cars models. The company is, in fact, in the process of producing over 1 million EV models by 2020. American car manufacturer Ford has followed suit and has even committed US$4.5 billion in the development of 13 new EV models by the same year. The value and worth of these electronic vehicles are a no-brainer. Technology is evolving fast allowing companies to achieve environmentally-friendly and power efficiency in their products. The popularity of these vehicles amongst the buying public is gradually increasing thanks to several factors. These factors include low battery prices which are in part due to quick technological advancement. In addition, ultra-low emission zones are quickly growing with industrial sectors pushing for a decrease in carbon emissions. Industry standards are slowly shifting towards a more environmentally friendly stance. The only obvious way to comply with these eco-friendly standards would be to manufacture EV models.

Environmental Leader

Automakers to Trump: Reverse Fuel Efficiency Rules

General Motors, Ford, Toyota and 15 other major automakers have urged President Donald Trump to reverse a decision by the Obama administration to lock in fuel efficiency rules for model years 2022-2025 cars and light trucks. In a letter obtained by Reuters the chief executives of GM, Ford, Fiat Chrysler Automobiles NV, along with the top North American executives at Toyota, Volkswagen, Honda, Hyundai and Nissan called on Trump to to reopen the midterm review "without prejudging the outcome" and praised Trump's "personal focus on steps to strengthen the economy in the United States and your commitment to jobs in our sector." Despite automakers' concerns that the new fuel economy standards are neither achievable nor cost-effective, the EPA on Jan. 13 finalized rules that it said will result in fleetwide average fuel economy sticker values of 36 miles a gallon by the model year 2025, 10 miles a gallon higher than the current fleet average. This also concluded the mid-term review of the Obama administration's car pollution standards, which have required automakers to improve cars' fuel efficiency and reduce emissions every year beginning with model year 2012. To get the industry to agree to the standards in 2011, the administration agreed to conduct a mid-term review. Both actions — the finalized standards and the end of the mid-term review — happened earlier than expected. The final determination was due by April 2018. Automakers say the EPA rushed the process in a political move to push the rules through before Trump took office on Jan. 20. Ford and other major automakers immediately began lobbying Trump and the EPA to roll back the fuel-efficiency standards. In late January Trump met with Ford CEO Mark Fields, General Motors CEO Mary Barra and Fiat Chrysler CEO Sergio Marchionne where the executives also raised the issue.

International

Reuters

China, India account for half world's pollution deaths in 2015 – study

China and India accounted for more than half of the total number of global deaths attributable to air pollution in 2015, researchers said in a study published on Tuesday. The U.S.-based Health Effects Institute (HEI) found that air pollution caused more than 4.2 million early deaths worldwide in 2015, making it the fifth highest cause of death, with about 2.2 million deaths in China and India. The institute's study, the first of its kind, was based on the Global Burden of Disease (GBD) project, a database backed by the Bill & Melinda Gates Foundation that tracks the role that behavioural, dietary and environmental factors play in deaths across 195 countries. New evidence and methodologies mean that the estimate is significantly higher than the figure published by the World Health Organization last year, which put the number of global air pollution-related deaths in 2012 at 3 million, HEI said. The institute, which has also launched an online database showing the global impact of pollution on health (www.stateofglobalair.org), said 92 percent of the world's population lives in areas with unhealthy air. Air pollution has been linked to higher rates of cancer, stroke and heart disease, as well as chronic respiratory

conditions such as asthma.

Reuters

South Korea files complaint against Nissan on mileage claims, probes two others

South Korea has filed a complaint against Nissan Motor's (7201.T) South Korean unit alleging that the Japanese car maker manipulated the fuel economy test results of its Infiniti Q50 sedan, a government official said on Tuesday. The transport ministry is also investigating BMW (BMWG.DE) and Porsche on a similar matter, the official, Koh Sung-woo, told Reuters. The Seoul Central District Prosecutors' Office has launched a probe into Nissan after a criminal compliant was filed by the ministry, a spokesman at the office said. Makers of imported cars, which have surged in popularity in recent years in South Korea, have been facing growing scrutiny in the country following Volkswagen's (VOWG_p.DE) emissions-test cheating scandal. The latest government action follows an announcement by South Korea's environment ministry last month that the sale of 10 models of Nissan, BMW and Porsche had been banned after the car makers were found to have fabricated documents on emissions and noise-level tests. The models banned include BMW's X5M and Porsche's Cayenne and Macan models.

David Richards

ORISE Research Participant

Office of Transportation and Air Quality

US Environmental Protection Agency

ph. 202.564.4964

To: Acevedo, Frank[acevedo.francisco@epa.gov]; Alson, Jeff[alson.jeff@epa.gov]; Argyropoulos, Paul[Argyropoulos.Paul@epa.gov]; Audette, Lucie[audette.lucie@epa.gov]; Barba, Daniel[Barba.Daniel@epa.gov]; Beardslee, Renee[Beardslee.Renee@epa.gov]; Beardsley, Megan[Beardsley.Megan@epa.gov]; Birgfeld, Erin[Birgfeld.Erin@epa.gov]; Bizer-Cox, Daniel[Bizer-Cox.Daniel@epa.gov]; Blubaugh, Jim[Blubaugh.Jim@epa.gov]; Bradish, Tracey[bradish.tracey@epa.gov]; Brusstar, Matt[brusstar.matt@epa.gov]; Bunker, Byron[bunker.byron@epa.gov]; Burch, Julia[Burch.Julia@epa.gov]; Bynum, Cheryl[bynum.cheryl@epa.gov]; Caldwell, Amy[caldwell.amy@epa.gov]; Charmley, William[charmley.william@epa.gov]; Chatfield, Ethan[chatfield.ethan@epa.gov]; Cohen, Janet[cohen.janet@epa.gov]; Cook, Leila[cook.leila@epa.gov]; Cullen, Angela[cullen.angela@epa.gov]; Dickinson, David[Dickinson.David@epa.gov]; Dietrich, Gwen[Dietrich.Gwen@epa.gov]; Dotzel, Kathryn[dotzel.kathryn@epa.gov]; Fowlkes, Sarah[fowlkes.sarah@epa.gov]; Galano, Fidel[Galano.Fidel@epa.gov]; Grundler, Christopher[grundler.christopher@epa.gov]; Haley, Mike[Haley.Mike@epa.gov]; Hassan, Nora[hassan.nora@epa.gov]; Haugen, David[haugen.david@epa.gov]; Helfand, Gloria[helfand.gloria@epa.gov]; Hengst, Benjamin[Hengst.Benjamin@epa.gov]; Henning, Julie[henning.julie@epa.gov]; Hoyer, Marion[hoyer.marion@epa.gov]; Hula, Aaron[Hula.Aaron@epa.gov]; Imfeld, Sterling[imfeld.sterling@epa.gov]; Jackson, Cleophas[jackson.cleophas@epa.gov]; Johnson, Dennis[Johnson.Dennis@epa.gov]; Keller, Jennifer[Keller.Jennifer@epa.gov]; Kolowich, Bruce[kolowich.bruce@epa.gov]; Le, Madison[Le.Madison@epa.gov]; Levin, David[Levin.David@epa.gov]; Lie, Sharyn[Lie.Sharyn@epa.gov]; Machiele, Paul[machiele.paul@epa.gov]; Maguire, Andrea[Maguire.Andrea@epa.gov]; Manners, Mary[manners.mary@epa.gov]; McCubbin, Courtney[McCubbin.Courtney@epa.gov]; Meekins, Tanya[Meekins.Tanya@epa.gov]; Michaels, Harvey[Michaels.Harvey@epa.gov]; Mitchell, George[Mitchell.George@epa.gov]; Moltzen, Michael[Moltzen.Michael@epa.gov]; Mylan, Christopher[Mylan.Christopher@epa.gov]; Nam, Ed[nam.ed@epa.gov]; Nelson, Brian[nelson.brian@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]; Patulski, Meg[patulski.meg@epa.gov]; Peralta, Maria[Peralta.Maria@epa.gov]; Revelt, Jean-Marie[revelt.jean-marie@epa.gov]; Samulski, Michael[samulski.michael@epa.gov]; Sargeant, Kathryn[sargeant.kathryn@epa.gov]; Schenk, Ruth[schenk.ruth@epa.gov]; Schweinfurth, Rob[Schweinfurth.Rob@epa.gov]; Scoville, Pat[Scoville.Pat@epa.gov]; Simon, Karl[Simon.Karl@epa.gov]; Snapp, Lisa[snapp.lisa@epa.gov]; Spears, Matthew[spears.matthew@epa.gov]; Spieth, John[Spieth.John@epa.gov]; Storhok, Ines[storhok.ines@epa.gov]; Suarez, Patricia[suarez.patricia@epa.gov]; Sun, Lisa[Sun.Lisa@epa.gov]; Sutton, Tia[sutton.tia@epa.gov]; VanGessel, Benjamin[vangessel.benjamin@epa.gov]; Vawters, Katie[Vawters.Katie@epa.gov]; Watkins, Erica[Watkins.Erica@epa.gov]; Wehrly, Linc[wehrly.linc@epa.gov]; Weihrauch, John[Weihrauch.John@epa.gov]; Wilcox, Jason[Wilcox.Jason@epa.gov]; Witkowski, Nicolas[witkowski.nicolas@epa.gov]; Zaremski, Sara[zaremski.sara@epa.gov]
From: Richards, David
Sent: Mon 2/13/2017 4:50:31 PM
Subject: OTAQ Daily News Brief

OTAQ Daily News Brief

****Welcome everyone to OTAQ's daily news listserv. The OTAQ Daily News Brief compiles articles from around the world focused on our office's work; this includes everything from light duty/heavy duty vehicles, electric vehicles, air quality studies, aircrafts, boats and ships, to alternative fuels, and of course, climate change. If you'd like to be removed or would like to add another person to the listserv please contact David Richards at richards.david@epa.gov. Feedback welcomed. Thanks and enjoy!**

Bloomberg

Auto CEOs Ask Trump to Revisit Obama-era Fuel Efficiency Rules

The chief executives of 18 automakers asked President Donald Trump to reinstate a U.S. Environmental Protection Agency review of fuel efficiency regulations through 2025 that they say was unfairly cut short during the final days of the Obama administration. In a Feb. 10 letter, executives including Mary Barra of General Motors Co., Ford Motor Co.'s Mark Fields and Fiat Chrysler Automobiles NV boss Sergio Marchionne asked Trump to return the review to its original schedule, giving the new administration a chance to shape the outcome. "As recently as late last fall, EPA assured us that the MTR would not result in a final determination before the next administration came into office," the executives said in the letter, referring to a mid-term review of the regulations. Automakers agreed to the 2025 efficiency rules in 2011 in a landmark deal brokered by the Obama administration to boost fuel economy to a fleet average of more than 50 miles per gallon by 2025. The deal aligned greenhouse gas limits set by the EPA and California's Air Resources Board with fuel economy regulations governed by the National Highway Traffic Safety Administration.

Green Car Reports

Big energy hugely underestimates electric cars, renewable power

Mass adoption of electric cars and renewable energy could significantly decrease global consumption of fossil fuels. But does the established energy industry view these new developments as a threat? In a recent report, ExxonMobil said coal could continue to provide the majority of the world's electricity-generation capacity in 2040, and that electric cars would only make up around 10 percent of the U.S. new-car market by that time. Yet new estimates from other sources indicate ExxonMobil and other fossil-fuel giants might want to take electric cars and renewable energy more seriously. Falling costs for both electric cars and solar panels "could halt fossil-fuel growth by 2020," according to findings by Imperial College London and Carbon Tracker reported by The Guardian. By 2035, electric cars could make up 35 percent of the vehicle market, and could account for two-thirds of that market by 2050, according to the two institutions.

Detroit News

EPA: new Chevy Cruze Diesel gets 52 mpg on highway

General Motors Co.'s new 2017 Chevrolet Cruze Diesel sedan achieves an estimated 52 miles

per gallon on the highway — the highest fuel economy of a non-hybrid or non electric.— according to the Environmental Protection Agency. The previous-generation Cruze diesel sedan was rated at 46 mpg highway. The Cruze Diesel comes standard with a new Ecotec 1.6-liter turbodiesel engine and a six-speed manual transmission offering 137 horsepower and 240 foot pounds of torque. Its range is up to 702 miles on the highway per diesel tank. Chevrolet said on Monday that the 2017 Cruze Diesel passed all U.S. environmental standards and validations. "Chevrolet is dedicated to offering customers a wide range of propulsion options," Steve Majoros, director of Chevrolet marketing, said in a statement. "We know there are customers looking for the right combination of fuel efficiency, driving dynamics, fuel type and more. With the EPA-estimated 52-mpg highway Cruze Diesel Sedan, they can get it all."

Automotive News

Carmakers can't be fooled by gas prices

TO THE EDITOR: Automotive News was correct in calling out the Detroit 3 in its editorial in the Feb. 6 issue ("Detroit 3 should skip scare tactics in CAFE debate") for using scare tactics and squishy jobs research when lobbying the president on fuel economy standards. But the notion that a drop in the price of gas is reason enough to reopen the midterm review of the standards is misguided. It goes back to one of the three things we can all count on in life: death, taxes and fluctuating gas prices. It takes five years to design a light-duty vehicle, and they stay on the road for over a decade, so vehicle design needs to look ahead in 15-year increments. Standards cannot flip-flop every time the price of gas changes. Over the past decade, there has clearly been a very strong upward trend in gas prices. If we weaken the standards, automakers will get caught flat-footed, as in the past when prices spiked and consumers shed their gas guzzlers, opting for fuel-sipping foreign brands.

Consumer Reports

Subaru Outback vs. Volkswagen Golf Alltrack: Which Should You Buy?

If you have even a slight anti-SUV mindset and miss the wagons of yore, like the spirited Audi A4 and Acura TSX wagons, we suggest checking out the Volkswagen Golf Alltrack and Subaru Outback. These modern wagons combine extroverted styling with all-weather traction, respectable fuel economy, and packaging versatility, conceding precious little to similarly priced SUVs. Although the Outback has led that anti-SUV brigade for several model generations, the Golf Alltrack debuted just in 2016. With its burly stance, the Alltrack does its best to look like a small-SUV alternative and attract outdoor thrill seekers. It comes with body cladding on the bumpers and fender flares, as well as a slight increase in ground clearance. All-wheel drive is standard. Considering the VW's European lineage, the Alltrack is an intriguing counter to the widely sold Outback. Because of their similarities, choosing the right one for you can be challenging. As with all comparisons, each wagon has its strengths and weaknesses. The photos

below allow you to drag left or right to compare the cars and reveal the exterior or interior of the Subaru Outback (left side in each photo) and Volkswagen Golf Alltrack (right side).

The Guardian

The war against air pollution has begun – and it will be fought in cities

You never see 'air pollution' written as the cause on death certificates," an expert once told me. If it was, she suggested, the enormous toll toxic air takes on the health of billions of the world's people would prompt a global emergency response. But the winds of change are now blasting the air pollution crisis to greater prominence – driven by new data, revelations about the impact of poisonous air on virtually all aspects of health and, crucially, the increasing anger of affected people and communities. There is no doubt that air pollution is a global crisis: it causes 6.5 million early deaths a year. That is double the number of people lost to HIV/Aids, tuberculosis and malaria combined, and four times the number killed on the world's roads. In Africa, air pollution kills three times more people than malnutrition. Half the early deaths result from indoor cooking with smoky fuels, a problem linked closely to poverty and readily solved, if the will and means exist. But the other half results from outdoor air pollution – caused by traffic, power stations, factories, construction, heating and more – and is far more dispersed and harder to tackle.

Yahoo News

Despite diesel scandal, new models coming to US

Detroit (AFP) - Despite uproar created by the diesel emissions cheating scandal at Volkswagen, Ford and General Motors are poised to offer new or revamped diesel vehicles to their American customers. It is a bold move, since only 255 diesel cars were sold in the US market in January, compared to the 5,000 to 10,000 a month rate for most of 2015 -- before the VW scandal broke. GM sold just 1,400 Chevrolet Colorado and GMC Canyon compact pickup trucks with small diesel engines in 2016. That represented less than one percent of the trucks GM sold in this segment. But even as automakers turn increasingly to electric and hybrid engines to meet demand for cleaner cars, and more importantly to meet government efficiency standards, diesel remains an option. Diesel still produces better mileage than gasoline engines, so it can bolster the fleet-wide fuel economy average, which is critical to meeting US regulatory requirements. Ford is planning to launch a diesel version of its popular F-150 pickup truck, while GM has two diesel SUV models in the works, and even Mazda is adding a diesel SUV. - Demand challenge

Reuters

EU clears German plan for electric vehicle charging network

The European Commission said on Monday it had approved German plans for an infrastructure network for charging electric vehicles across the country. The plan, at a total cost of 300 million euros ($319.4 million) over four years, will require that the electricity comes from renewable energy sources, with contracts awarded through an open tender process. "Electric vehicles can provide real benefits to society by reducing harmful emissions and noise pollution. The German support scheme will encourage consumers and businesses to use electric vehicles," EU Competition Commissioner Margrethe Vestager said in a statement

Exclusive: China mulls radical output cuts, port coal ban in war on smog – document

China is considering forcing steel and aluminum producers to cut more output, banning coal in one of the country's top ports and shutting some fertilizer and drug plants as Beijing intensifies its war on smog, a draft policy document shows. The Ministry of Environmental Protection (MEP) has proposed the measures in the document seen by Reuters. If implemented, they would be some of the most radical steps so far to tackle air quality in the country's most polluted cities. The move comes after China's northeast has battled some of the worst pollution in years as emissions from heavy industry, coal burning in winter and increased transport have left major cities including Beijing blanketed in thick smog.

David Richards

ORISE Research Participant

Office of Transportation and Air Quality

US Environmental Protection Agency

ph. 202.564.4964

To: Orlin, David[Orlin.David@epa.gov]; Charmley, William[charmley.william@epa.gov]
Cc: Kataoka, Mark[Kataoka.Mark@epa.gov]; Hengst, Benjamin[Hengst.Benjamin@epa.gov]
From: Simon, Karl
Sent: Mon 2/13/2017 2:44:43 PM
Subject: RE: Auto industry leaders February 10, 2017 letter on Midterm Review to President Trump

Not all of us are in HD discussion today so need to find a different time

From: Orlin, David
Sent: Monday, February 13, 2017 9:29 AM
To: Charmley, William <charmley.william@epa.gov>
Cc: Kataoka, Mark <Kataoka.Mark@epa.gov>; Simon, Karl <Simon.Karl@epa.gov>; Hengst, Benjamin <Hengst.Benjamin@epa.gov>
Subject: RE: Auto industry leaders February 10, 2017 letter on Midterm Review to President Trump

My guess is some things may move pretty fast once we have a new Administrator (which could be Weds?). Ex. 5 - Deliberative Process

Ex. 5 - Deliberative Process One possibility is to try and talk today and possibly touch on it as part of this afternoon's discussion with Chris on HD. Otherwise, feel free to find some open time on Mark and my schedules in the next couple of days.

David Orlin

U.S. EPA, Office of General Counsel

(202) 564-1222

From: Charmley, William
Sent: Monday, February 13, 2017 9:14 AM
To: Kataoka, Mark <Kataoka.Mark@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Orlin, David <Orlin.David@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Yanca, Catherine <yanca.catherine@epa.gov>; Bolon, Kevin <Bolon.Kevin@epa.gov>
Cc: Simon, Karl <Simon.Karl@epa.gov>; Snapp, Lisa <snapp.lisa@epa.gov>; Hengst, Benjamin <Hengst.Benjamin@epa.gov>
Subject: Auto industry leaders February 10, 2017 letter on Midterm Review to President Trump

Dear all –

We received a copy of this letter in the past few days.

Over the weekend Chris asked me if we could verbally discuss with David Orlin and Mark Kataoka a few questions that are on Chris's mind:

Ex. 5 - Deliberative Process

Once we have had an opportunity to discuss, then we could schedule a meeting with Chris.

Karl, Lisa and Ben – please let me know if you would like to participate in this discussion (both the ASD/OGC discussion, and then the meeting with Chris G.)

Thanks

Bill

To: Charmley, William[charmley.william@epa.gov]
Cc: Kataoka, Mark[Kataoka.Mark@epa.gov]; Simon, Karl[Simon.Karl@epa.gov]; Hengst, Benjamin[Hengst.Benjamin@epa.gov]
From: Orlin, David
Sent: Mon 2/13/2017 2:28:57 PM
Subject: RE: Auto industry leaders February 10, 2017 letter on Midterm Review to President Trump

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U.S. EPA, Office of General Counsel

(202) 564-1222

From: Charmley, William
Sent: Monday, February 13, 2017 9:14 AM
To: Kataoka, Mark <Kataoka.Mark@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Orlin, David <Orlin.David@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Yanca, Catherine <yanca.catherine@epa.gov>; Bolon, Kevin <Bolon.Kevin@epa.gov>
Cc: Simon, Karl <Simon.Karl@epa.gov>; Snapp, Lisa <snapp.lisa@epa.gov>; Hengst, Benjamin <Hengst.Benjamin@epa.gov>
Subject: Auto industry leaders February 10, 2017 letter on Midterm Review to President Trump

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Thanks

Bill

To: Charmley, William[charmley.william@epa.gov]
From: Grundler, Christopher
Sent: Sat 2/11/2017 10:15:20 PM
Subject: One more thing

Pls take lead Monday and develop possible answers with OGC to questions about this letter that may come from transition staff or Mr Pruitt who may arrive as soon as Wednesday:

Ex. 5 - Deliberative Process

Thanks. Enjoy rest of your weekend

C--

Christopher Grundler, Director
Office of Transportation and Air Quality
U.S. Environmental Protection Agency
202/564-1682 (Washington DC)
734/214-4207 (Ann Arbor MI)

On Feb 11, 2017, at 3:50 PM, Charmley, William <charmley.william@epa.gov> wrote:

Chris

Note that we have our monthly leadership call wit Richard, Alberto, Annette, Jack and others on Wednesday of this week at 3pm eastern time

I will send out a request for agenda items either on Sunday, or early Monday morning

Sent from my iPhone

On Feb 11, 2017, at 3:02 PM, Grundler, Christopher <grundler.christopher@epa.gov> wrote:

Here we go!

Christopher Grundler, Director
Office of Transportation and Air Quality
U.S. Environmental Protection Agency
202/564-1682 (Washington DC)
734/214-4207 (Ann Arbor MI)

Begin forwarded message:

From: "Corey, Richard@ARB" <richard.corey@arb.ca.gov>
Date: February 11, 2017 at 1:12:48 PM EST
To: "grundler.christopher@epa.gov" <grundler.christopher@epa.gov>
Subject: FW: Auto letter to Trump

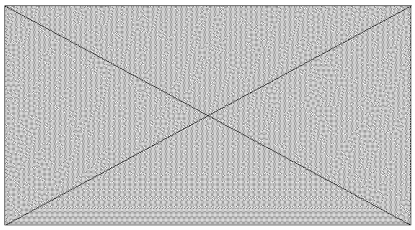
Chris,

Let's plan for a call early next week. I am interested in how this is playing/if it is gaining traction. We are set to go to the Board in March.

Richard

<WHAutoIndustryLttr_021017.pdf>

To: Charmley, William[charmley.william@epa.gov]
From: Automotive News
Sent: Mon 2/6/2017 6:01:26 AM
Subject: WEEKLY: FCA's store plan backlash | Online sales gain steam | BMW shakeup | Small cars hang on in Jan. | Border tax fight | Fields' CAFE claim | Size a hiring advantage? | Chicago auto show preview



Most read story last week

February 6, 2017

Chevrolet's midengine Corvette hits the winter test track

View in a Web browser | Forward to a colleague

FCA's plan to add stores riles dealers

Fiat Chrysler's plan to add about 380 dealerships to its U.S. network of around 2,500 stores has run into opposition from dealers who see the move as reckless and a threat to their businesses.

Online car sales could soon be on fast track

Auto industry leaders say the industry is within a year or two of being able to complete an entire vehicle transaction online. That includes pitching finance and insurance products and getting electronic signatures on key documents.

BMW shores up leadership as U.S. sales sag

[illegible] in more than 80 countries. Starting March 1, his main focus will be the United States, a key market where BMW sales in the past year have lagged rivals Mercedes-Benz and Lexus.

[illegible]

» Detroit 3 should skip scare tactics in CAFE debate

NEWS ANALYSIS

Words of caution to Trump: Toyota Cavalier

Driverless concepts spawn real-world interiors

Lynk & CO aims to fix broken dealer model

Defensive driving fuels Kia store offensive

Columns

KEITH CRAIN

NADA looks ready for next century

JESSE SNYDER

The risks of moving at Trump speed

DAVID SEDGWICK RICHARD TRUETT

Will cockpits of tomorrow's cars be a nightmare?

Auto writer leaves lasting influence suppliers?

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UPCOMING ...

EVENTS
» Feb. 17 - Automotive News Canada Congress
» April 3 - PACE Awards
» April 3 - Automotive News Rising Stars
» May 9 - LA Marketing Seminar
» June 21 - ANE Congress

WEBINARS
» Feb. 7 at 2pm ET - Best Dealerships
by Best Dealerships To Work For
» Feb. 9 at 11am ET - Vehicle Data Privacy
by IBM
» Feb. 14 at 2pm ET - Engage Connected Customers
by Pega

ARCHIVED WEBINARS
» On Demand - How to Improve F&I Manager Retention
» On Demand - Driving F&I Profit with Used Cars: Best Practices and Opportunities

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To: Sargeant, Kathryn[sargeant.kathryn@epa.gov]; Charmley, William[charmley.william@epa.gov]
Cc: Hengst, Benjamin[Hengst.Benjamin@epa.gov]; Birgfeld, Erin[Birgfeld.Erin@epa.gov]
From: Sutton, Tia
Sent: Wed 3/22/2017 7:33:26 PM
Subject: RE: Final ASD review needed for Reg Agenda abstracts for: T3 Test Fuel, MTE, and Lead in Av Gas

Great- thanks, Kathryn!

From: Sargeant, Kathryn
Sent: Wednesday, March 22, 2017 3:31 PM
To: Sutton, Tia <sutton.tia@epa.gov>; Charmley, William <charmley.william@epa.gov>
Cc: Hengst, Benjamin <Hengst.Benjamin@epa.gov>; Birgfeld, Erin <Birgfeld.Erin@epa.gov>
Subject: RE: Final ASD review needed for Reg Agenda abstracts for: T3 Test Fuel, MTE, and Lead in Av Gas

Thanks, Tia. I'm fine with the lead in avgas abstract.

From: Sutton, Tia
Sent: Wednesday, March 22, 2017 12:51 PM
To: Charmley, William <charmley.william@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Sargeant, Kathryn <sargeant.kathryn@epa.gov>
Cc: Hengst, Benjamin <Hengst.Benjamin@epa.gov>; Birgfeld, Erin <Birgfeld.Erin@epa.gov>
Subject: Final ASD review needed for Reg Agenda abstracts for: T3 Test Fuel, MTE, and Lead in Av Gas
Importance: High

Hi all,

Your review is needed on a few of the ASD blurbs for the Reg Agenda. Specifically:

Ex. 5 - Deliberative Process

Ex. 5 - Deliberative Process

Ex. 5 - Deliberative Process

To: Moran, Robin[moran.robin@epa.gov]
Cc: Olechiw, Michael[olechiw.michael@epa.gov]; Lieske, Christopher[lieske.christopher@epa.gov]; Simon, Joseph[Simon.Joseph@epa.gov]
From: charmley.william@epa.gov
Sent: Thur 3/16/2017 6:13:04 PM
Subject: Re: Draft Response to MTE Controls

Robin

Late yesterday Ben told me that someone on his staff was going to take a cut at a response. Ben was only talking about a congressional control.

I told him we had several additional controls, not just Congressional.

Ben told me

Sent from my iPhone

> On Mar 16, 2017, at 1:21 PM, Moran, Robin <moran.robin@epa.gov> wrote:
>
> Bill,
>
> Chris drafted the attached response letter, which we would plan to use uniformly for all the incoming letters regarding the MTE final determination. Our intention was to keep this short and factual simply citing the FR Notice. Please let us know if you have any comments.
>
> Dear___:
>

Ex. 5 - Deliberative Process

>
>
>
> From: Lieske, Christopher
> Sent: Thursday, March 16, 2017 11:54 AM
> To: Moran, Robin <moran.robin@epa.gov>
> Subject: Response letter
>
> Robin –
>
> A draft response is attached. At this point, it is written generally enough that it could be used for all responses.
>
> The incoming letters are also attached for reference. They are:
>
> 4817 – Alliance

> 4822 – Global
> 5562 – Env. NGOs
> 5588 – 40 Investors (Walden Asset Management)
> 5589 – BICEP
> 5768 – 12 U.S. Senators
>
> <MTE reconsideration response letter.docx>
> <AX-17-000-4817 Correspondence.pdf>
> <AX-17-000-4822 Correspondence.pdf>
> <AX-17-000-5562 Correspondence.pdf>
> <AX-17-000-5588 Correspondence.pdf>
> <AX-17-000-5589 Correspondence.pdf>
> <AL-17-000-5768 Correspondence.pdf>

To: Dietrich, Gwen[Dietrich.Gwen@epa.gov]; France, Jennifer[france.jennifer@epa.gov]; Sutton, Tia[sutton.tia@epa.gov]
Cc: Birgfeld, Erin[Birgfeld.Erin@epa.gov]; Moran, Robin[moran.robin@epa.gov]; Suarez, Patricia[suarez.patricia@epa.gov]; Mylan, Christopher[Mylan.Christopher@epa.gov]; Levin, David[Levin.David@epa.gov]; Charmley, William[charmley.william@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]; Lieske, Christopher[lieske.christopher@epa.gov]
From: Liao, Shan
Sent: Wed 3/15/2017 6:09:44 PM
Subject: posted live -- RE: Question on pre-pub version of notice

Dear All,

I just post (with Erin's approval) the page and the pre-publication to CMS.

https://www.epa.gov/regulations-emissions-vehicles-and-engines/midterm-evaluation-light-duty-vehicle-greenhouse-gas-ghg

https://www.epa.gov/sites/production/files/2017-03/documents/cafe-joint-notice-dot-epa-2017-03-13.pdf

Shan Liao
Task Order Manager & Web Librarian
NVFEL Library, operated by:
Arctic Slope Mission Services, LLC (ASMS)
2000 Traverwood Drive
Ann Arbor, MI 48105
734-214-4435 - Phone
734-214-4525 - Fax
liao.shan@epa.gov

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http://www.surveymonkey.com/s/epalibsurvey

From: Dietrich, Gwen
Sent: Wednesday, March 15, 2017 1:33 PM
To: France, Jennifer <france.jennifer@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>
Cc: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Levin, David <Levin.David@epa.gov>; Charmley, William <charmley.william@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Lieske, Christopher <lieske.christopher@epa.gov>
Subject: RE: Question on pre-pub version of notice

Everyone,

Corrected.

Attached and prepared for posting on the Web:

cafe-joint-notice-dot-epa-2017-03-13.pdf

File is 146 KB and 5 pages.

Gwen Dietrich

Communications/Graphic Design Specialist

Senior Service America, Inc. (Grantee)

Supporting the Office of Transportation and Air Quality

U.S. Environmental Protection Agency

734-214-4639

From: France, Jennifer
Sent: Wednesday, March 15, 2017 1:28 PM

To: Sutton, Tia <sutton.tia@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>
Cc: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Levin, David <Levin.David@epa.gov>; Charmley, William <charmley.william@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Lieske, Christopher <lieske.christopher@epa.gov>
Subject: RE: Question on pre-pub version of notice

Good catch Tia! Gwen is fixing it right now (it's still 3/15 on the 2nd+ pages).

From: Sutton, Tia
Sent: Wednesday, March 15, 2017 1:24 PM
To: Liao, Shan <Liao.Shan@epa.gov>
Cc: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Moran, Robin <moran.robin@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Levin, David <Levin.David@epa.gov>; Charmley, William <charmley.william@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Lieske, Christopher <lieske.christopher@epa.gov>
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Thanks!!

-Tia

Sent from my iPhone

On Mar 15, 2017, at 10:37 AM, Liao, Shan <Liao.Shan@epa.gov> wrote:

> These changes (including Erin and Robin's) are made in the draft version:
> https://wcms.epa.gov/node/162119/revisions/506181/view

NOTE: the linked pre-publication document is a place holder. Once this draft page and the pre-publication document are approved for posting, I will replace the document holder with the true pre-publication document.

Shan Liao
Task Order Manager & Web Librarian
NVFEL Library, operated by:
Arctic Slope Mission Services, LLC (ASMS)
2000 Traverwood Drive
Ann Arbor, MI 48105
734-214-4435 - Phone
734-214-4525 - Fax
liao.shan@epa.gov

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Sent: Wednesday, March 15, 2017 10:30 AM
To: Moran, Robin <moran.robin@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan,

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Everyone,

Attached and prepared for posting on the Web:

cafe-joint-notice-dot-epa-2017-03-13.pdf

File is 167 KB and 5 pages.

Gwen Dietrich

Communications/Graphic Design Specialist

Senior Service America, Inc. (Grantee)

Supporting the Office of Transportation and Air Quality

U.S. Environmental Protection Agency

734-214-4639

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To: Sutton, Tia <sutton.tia@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>;

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Cc: Sun, Lisa <Sun.Lisa@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>; Richards, David <Richards.David@epa.gov>
Subject: RE: MTE prepublication notice with web disclaimer - UPDATED
Importance: High

HI Jennifer, Gwen and David,

Please use this version of the notice. The data of signature is updated to be March 13, not March 15.

For what it is worth we anticipate going live with this around 2 pm, but stay tuned… we are likely to be getting last minute instructions.

Thank you!

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From: Birgfeld, Erin
Sent: Wed 3/15/2017 5:26:43 PM
Subject: RE: Question on pre-pub version of notice
CAFE-FINAL FINAL-joint-notice-DOT-EPA_web version - UPDATED WITH NEW DATE.docx

And in case you did not fix it here is an updated version that can be used.

Go live time is now 1:45. If we can't fix this in time let's swap out after launch.

Thanks,

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Communications/Graphic Design Specialist

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web edits (002).docx

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File is 167 KB and 5 pages.

Gwen Dietrich

Communications/Graphic Design Specialist

Senior Service America, Inc. (Grantee)

Supporting the Office of Transportation and Air Quality

U.S. Environmental Protection Agency

734-214-4639

From: Birgfeld, Erin
Sent: Tuesday, March 14, 2017 11:31 PM
To: Sutton, Tia <sutton.tia@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Levin, David <Levin.David@epa.gov>
Cc: Sun, Lisa <Sun.Lisa@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>; Richards, David <Richards.David@epa.gov>

Subject: RE: MTE prepublication notice with web disclaimer - UPDATED
Importance: High

HI Jennifer, Gwen and David,

Please use this version of the notice. The data of signature is updated to be March 13, not March 15.

For what it is worth we anticipate going live with this around 2 pm, but stay tuned… we are likely to be getting last minute instructions.

Thank you!

-Erin

From: Sutton, Tia
Sent: Tuesday, March 14, 2017 6:08 PM
To: Birgfeld, Erin <Birgfeld.Erin@epa.gov>; Suarez, Patricia <suarez.patricia@epa.gov>; France, Jennifer <france.jennifer@epa.gov>; Mylan, Christopher <Mylan.Christopher@epa.gov>; Dietrich, Gwen <Dietrich.Gwen@epa.gov>; Levin, David <Levin.David@epa.gov>
Cc: Sun, Lisa <Sun.Lisa@epa.gov>; Liao, Shan <Liao.Shan@epa.gov>; Richards, David <Richards.David@epa.gov>
Subject: MTE prepublication notice with web disclaimer

Hi all,

Attached is the prepub notice for the MTE announcement that Erin emailed about earlier.

Chris and Erin- if you need to make edits to this document for any reason, I saved it on the X drive at: X:_X-drive (DC IO shared)\Rules & Notices\LD MTE\March 2017 FR Notice

Thanks!

-Tia

Overview

As part of the 2012 rulemaking establishing the model year (MY) 2017-2025 light-duty vehicle GHG standards, EPA made a regulatory commitment to conduct a Midterm Evaluation (MTE) of the standards for MY 2022-2025. As a part of this process EPA is examining awide range of factors, such as developments in powertrain technology, vehicle electrification, light-weighting and vehicle safety impacts, the penetration of fuel efficient technologies in the marketplace, consumer acceptance of fuel efficient technologies, trends in fuel prices and the vehicle fleet, employment impacts, and many others.

Ex. 5 - Deliberative Process

Previous Steps in the Midterm Evaluation Process

On January 12, 2017, Administrator Gina McCarthy signed her determination to maintain the current GHG emissions standards for model year (MY) 2022-2025 vehicles. Her final determination found that automakers are well positioned to meet the standards at lower costs than previously estimated.

Highlights of Administrator McCarthy's January 2017, Final Determination

- Automakers have a wide range of technology pathways available to meet the MY2022-2025 standards, at slightly lower per-vehicle costs than previously predicted. The standards are achievable with very low penetration of strong hybrids, electric vehicles and plug-in hybrid electric vehicles, consistent with the findings of a comprehensive 2015 National Academy of Sciences study.
- The standards will save consumers money, significantly reduce GHG emissions and fuel consumption, and provide benefits to the health and welfare of Americans.
- Automakers have outperformed the standards for the first four years of the program (MY2012-2015) and manufacturers are adopting fuel efficient technologies at unprecedented rates, all while vehicle sales have increased for 7 consecutive years.

Administrator McCarthy's determination was based on an extensive technical record, created over 8 years of research, review of several hundred published reports, hundreds of stakeholder meetings, and multiple opportunities for the public to provide input. This Final Determination follows the November 2016 release of EPA's Proposed Determination and the July 2016 release of a Draft Technical Assessment Report (TAR), issued jointly by the EPA, the National Highway Traffic Safety Administration (NHTSA), and the California Air Resources Board (CARB). EPA provided opportunities for public comment for both the Draft TAR and the Proposed Determination.
Cover Letter -- EPA Administrator's signed Cover Letter to the Final Determination.
Final Determination Document -- Final Determination on the Appropriateness of the Model Year 2022-2025 Light-duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation (PDF)(33 pp, 626 K, January 2017, EPA-420-R-17-001).
Response to Comments Document -- Final Determination on the Appropriateness of the Model Year 2022-2025 Light-duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation: Response to Comments (PDF)(174 pp, 2 MB, January 2017, EPA-420-R-17-002).

Proposed Determination

On November 30, 2016, Administrator McCarthy proposed to determine that the MY 2022-2025 standards remain appropriate and that a rulemaking to change them is not warranted. This proposed determination is based on the robust technical record including the draft TAR, input from the auto industry and other stakeholders, and updated analyses. The public comment period for this proposed determination will end on December 30, 2016.

Highlights of the Proposed Determination

- Auto manufacturers can meet the MY 2022-2025 standards at slightly lower per-vehicle costs than predicted in the TAR, and lower costs than predicted in the 2012 rulemaking that established the standards.
- The current standards will save consumers money and provide benefits to the health and welfare of Americans.
- Automakers have a wide range of technology pathways available to meet the standards. Standards are achievable with very low penetration of strong hybrids, electric vehicles and plug-in hybrid electric vehicles. This finding is consistent with the conclusions the National Academy of Sciences found in a comprehensive 2015 study.
- Automakers have outperformed the standards for the first four years of the program (MY2012-2015) and manufacturers are adopting fuel efficient technologies at unprecedented rates, all while vehicle sales have increased for 6 consecutive years. There are over 100 car, SUV, and pickup versions on the market today that already meet 2020 or later standards.

Cover Letter -- EPA Administrator's signed Cover Letter to the Proposed Determination.
Proposed Determination Document -- Proposed Determination on the Appropriateness of the Model Year 2022-2025 Light-duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation (PDF)(268 pp, 6.38 MB, EPA-420-R-16-020, November 2016)
Technical Support Document to the Proposed Determination -- Proposed Determination on the Appropriateness of the Model Year 2022-2025 Light-duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation: Technical Support Document (PDF)(719 pp, 18 MB, EPA-420-R-16-021, November 2016)
Comment Period -- The comment period for the Proposed Determination closed on December 30, 2016. Several organizations requested that EPA extend the public comment period for the Proposed Determination; EPA sent letters explaining our denial of these requests to each of these organizations. The incoming requests for an extension of the comment period are available in the docket noted above. For information regarding the comment period, please see the *Federal Register* Notice:

Notice of Availability of a Proposed Order: Proposed Determination on the Appropriateness of the Model Year 2022-2025 Light-duty Vehicle Greenhouse Gas Emissions Standards under the Midterm Evaluation (PDF) (2 pp, 199 K, published December 6, 2016

For additional documents supporting EPA's analyses for the Proposed Determination, see the Advanced Light-Duty Powertrain and Hybrid Analysis (ALPHA) Tool and the Optimization Model for reducing Emissions of Greenhouse gases from Automobiles (OMEGA) pages.

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Draft Technical Assessment Report (TAR)

EPA, NHTSA, and CARB jointly issued a Draft TAR for public comment in July 2016. The

Draft TAR was a technical report, not a decision document, and examined a wide range of issues relevant to the 2022-2025 standards.

Highlights of the Draft Technical Assessment Report:

- **Automakers are innovating in a time of record sales and fuel economy levels**. The results of the Draft TAR show that manufacturers are adopting fuel economy technologies at unprecedented rates. Car makers and suppliers have developed far more innovative technologies to improve fuel economy and reduce GHG emissions than anticipated just a few years ago.

- **Our new analysis shows that the standards can be met largely with more efficient gasoline powered cars – we continue to project that only modest penetration of hybrids and only low levels of electric vehicles are needed to meet the standards**. The Draft TAR shows that manufacturers can meet the current standards for MY 2022-2025 with conventional gasoline vehicles that use internal combustion engines with well-understood technologies. This is consistent with what the National Academies of Science found in a comprehensive 2015 study. Manufacturers can meet the standards at similar or even lower costs than what was anticipated in the 2012 rulemaking with substantial fuel savings payback to consumers.

- **The National Program preserves consumer choice, even as it protects the environment and reduces fuel consumption.** The National Program is designed to ensure that consumers can continue to buy the differing types of vehicles they need, from compact cars, to SUVs, to larger trucks suitable for towing and carrying heavy loads. Owners of every type of new vehicle will enjoy gasoline savings and improved fuel economy with a reduced environmental footprint.

- **Executive Summary** -- Draft Technical Assessment Report: Midterm Evaluation of Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards for Model Years 2022-2025 – Executive Summary (PDF) (15 pp, 588K, EPA-420-D-16-901, July 2016)

- **Draft Technical Assessment Report**: Midterm Evaluation of Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards for Model Years 2022-2025 (PDF)(1217 pp, 36.5MB, EPA-420-D-16-900, July 2016)

- **Appendices** -- Draft Technical Assessment Report: Midterm Evaluation of Light-Duty Vehicle Greenhouse Gas Emission Standards and Corporate Average Fuel Economy Standards for Model Years 2022-2025 (PDF)(118 pp, 5.6MB, EPA-420-D-16-900app, July 2016)

For additional documents supporting EPA's analyses for the Proposed Determination, see the Advanced Light-Duty Powertrain and Hybrid Analysis (ALPHA) Tool and the Optimization Model for reducing Emissions of Greenhouse gases from Automobiles (OMEGA) pages.

The comment period for the Draft Technical Assessment Report closed on September 26, 2016. For information regarding that earlier comment period, please see the *Federal Register* Notice:

Notice of Availability of Midterm Evaluation Draft Technical Assessment Report for Model Year 2022–2025 Light Duty Vehicle GHG Emissions and CAFE Standards (PDF) (4 pp, 229 K, published July 27, 2016)

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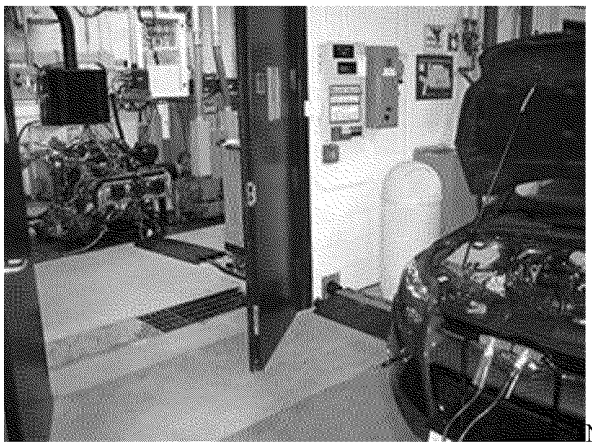
EPA Technical Projects to Inform the Midterm Evaluation

-
EPA's National Vehicle and Fuel Emissions Laboratory (NVFEL), Ann Arbor, MIThrough the National Center for Advanced Technology (NCAT) located at EPA's National Vehicle and Fuel Emissions Laboratory (for more information, see: Vehicles and Fuels Emission Testing) in Ann Arbor, Michigan, we are researching future advanced engine and transmission technologies to support modeling, advanced technology testing, and demonstrations (for more information, see: Test Data for Light-duty Greenhouse Gas (GHG) Technology).
- This new study examines the mass reduction potential for a full-size light-duty pickup truck.
  - Mass Reduction and Cost Analysis—Light-Duty Pickup Truck Model Years 2020-2025 (PDF) (1018 pp, 54.9MB, EPA-420-R-15-006, June 2015)
  - CAE Baseline and Lightweight Models (ZIP) (1 pg, 71 MB, June 2015)
- 
NVFEL's National Center for Advanced TechnologyState-of-the-art cost teardown studies, with FEV, for fuel efficient technologies, including mild hybrids and diesel vehicles
- Research on consumer issues, including an assessment of vehicle affordability, a study of willingness-to-pay for various vehicle attributes, and content analysis of auto reviews
  - Searching for Hidden Costs: A Technology-Based Approach to the Energy Efficiency Gap in Light-Duty Vehicles (PDF)(55 pp, 1.0 MB, EPA-420-D-15-010, November 2015)

- Searching for Hidden Costs: Presentation made at the University of Michigan Energy Institute's Conference on Transportation, Economics, Energy, and the Environment (TE3)
- Searching for Hidden Costs: A Technology-Based Approach to the Energy Efficiency Gap in Light-Duty Vehicles, Presentation made at the Association of Environmental and Resource Economists Annual Conference

- Work on economic issues, including new studies on VMT rebound and manufacturer cost reduction through "learning by doing":
- Final Report and Peer Review Report for Cost Reduction through Learning in Manufacturing Industries and in the Manufacture of Mobile Sources
- The Rebound Effect from Fuel Efficiency Standards: Measurement and Projection to 2035 (PDF) (80 pp, 629KB, EPA-420-R-15-012, June 2015)
- Peer Review (PDF)(193 pp, 2.9MB, EPA-420-R-15-013, June 2015)

- Development of modeling tools:
- Vehicle simulation modeling (ALPHA - Advanced Light-Duty Powertrain and Hybrid Analysis)
- Technology feasibility and cost model (OMEGA - Optimization Model for reducing Emissions of Greenhouse gases from Automobiles)
- Technology packages efficiencies (Lumped Parameter Model)
- Continued investigation into potential consumer choice modeling:
- Consumer Vehicle Choice Model Documentation (PDF)(62 pp, 701 K, EPA-420-B-12-052, August 2012)
- Testing a Model of Consumer Vehicle Purchases (PDF)(42 pp, 883 K, EPA-420-D-15-011, December 2015)

- In addition to working with CARB and NHTSA, EPA is collaborating with DOE on projects involving vehicle light-weighting and battery cost modeling, and Environment and Climate Change Canada/Transport CanadaEXIT on projects involving aerodynamics, vehicle light-weighting,EXIT all-wheel drive vehicles, and other areas.
  In addition to these projects supporting the MTE, EPA issues two annual reports related to light-duty GHG emissions:
- Light-Duty Automotive Technology, Carbon Dioxide Emissions, and Fuel Economy Trends Report

- GHG Emission Standards for Light-Duty Vehicles: Manufacturer Performance Report

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EPA Publications Informing the Midterm Evaluation

Throughout the MTE process, EPA's goal is to publish as much of our research as possible in

peer-reviewed journals. EPA staff have published the following peer-reviewed papers so far since 2013. EPA staff are attending numerous technical conferences, and keeping abreast of hundreds of papers in the literature on the wide range of factors we are considering for the MTE. The following papers are not available for download due to copyright restrictions; however, we are providing links to the abstract and ordering information on the journals' websites.

- "The Energy Efficiency Gap in EPA's Benefit-Cost Analysis of Vehicle Greenhouse Gas Regulations: A Case Study," Journal of Benefit-Cost Analysis, 2015, doi:10.1017/bca.2015.13, Gloria Helfand and Reid Dorsey-Palmateer EXIT
- "Developing the AC17 Efficiency Test for Mobile Air Conditioners," SAE Technical Paper 2013-01-0569, 2013, doi:10.4271/2013-01-0569, Sciance, F., Nelson, B., Yassine, M., Patti, A., and Rao, L. EXIT
- "Maneuver-based Battery-in-the-Loop Testing - Bringing Reality to the Lab," SAE Int. J. Alt. Power, 2(1):2013, doi:10.4271/2013-01-0157, Dagci, O., Pereira, N., and Cherry, J. EXIT
- "Development of Advanced Light-Duty Powertrain and Hybrid Analysis Tool," SAE Technical Paper 2013-01-0808, 2013, doi:10.4271/2013-01-0808, Lee, B., Lee, S., Cherry, J., Neam, A., Sanchez, J., and Nam, E. EXIT
- "Modeling and Validation of Power-Split and P2 Parallel Hybrid Electric Vehicles," SAE Technical Paper 2013-01-1470, 2013, doi:10.4271/2013-01-1470, Lee, S., Lee, B., McDonald, J., Sanchez, L., and Nam, E. EXIT
- "Modeling and Validation of Lithium-Ion Automotive Battery Packs," SAE Technical Paper 2013-01-1539, 2013, doi:10.4271/2013-01-1539, Lee, S., Lee, B., McDonald, J., and Nam, E. EXIT
- "Cost-Effectiveness of a Lightweight Design for 2017-2020: An Assessment of a Midsize Crossover Utility Vehicle," SAE Technical Paper 2013-01-0656, 2013, doi: 10.4271/2013-01-0656, Caffrey, C., Bolon, K., Harris, H., Kolwich, G., Johnston, R., and Shaw, T. EXIT

The following papers are not subject to copyright protection because they are Government works; however, foreign copyrights may apply.

- "Air Flow Optimization and Calibration in High-Compression-Ratio Naturally Aspirated SI Engines with Cooled-EGR," SAE Technical Paper 2016-01-0565, 2016, doi:10.4271/2016-01-0565, Lee, S., Schenk, C., and McDonald, J.
- "Cost-Effectiveness of a Lightweight Design for 2020-2025: An Assessment of a Light-Duty Pickup Truck," SAE Technical Paper 2015-01-0559, 2015, doi:10.4271/2015-01-0559, Caffrey, C., Bolon, K., Kolwich, G., Johnston, R., and Shaw, T.
- "Analysis of Technology Adoption Rates in New Vehicles," SAE Technical Paper 2014-01-0781, 2014, doi:10.4271/2014-01-0781, Hula, A., Alson, J., Bunker, A., and Bolon, K.
- "Estimating GHG Reduction from Combinations of Current Best-Available and Future Powertrain and Vehicle Technologies for a Midsized Car Using EPA's ALPHA Model," SAE Technical Paper 2016-01-0910, 2016, doi:10.4271/2016-01-0910, Kargul, J., Moskalik, A., Barba, D., Newman, K., and Dekraker, P.
- "Modeling of a Conventional Mid-Size Car with CVT Using ALPHA and Comparable Powertrain Technologies," SAE Technical Paper 2016-01-1141, 2016, doi:10.4271/2016-01-1141, Newman, K., Doorlag, M., and Barba, D.

- "Modeling the Effects of Transmission Gear Count, Ratio Progression, and Final Drive Ratio on Fuel Economy and Performance Using ALPHA," SAE Technical Paper 2016-01-1143, 2016, doi:10.4271/2016-01-1143, Newman, K. and Dekraker, P.
- "Development and Testing of an Automatic Transmission Shift Schedule Algorithm for Vehicle Simulation," SAE Int. J. Engines 8(3):2015, doi:10.4271/2015-01-1142, Newman, K., Kargul, J., and Barba, D.
- "Benchmarking and Modeling of a Conventional Mid-Size Car Using ALPHA," SAE Technical Paper 2015-01-1140, 2015, doi:10.4271/2015-01-1140, Newman, K., Kargul, J., and Barba, D.
- "Fuel Efficiency Mapping of a 2014 6-Cylinder GM EcoTec 4.3L Engine with Cylinder Deactivation," SAE Technical Paper 2016-01-0662, 2016, doi:10.4271/2016-01-0662, Stuhldreher, M.
- "Benchmarking and Hardware-in-the-Loop Operation of a 2014 MAZDA SkyActiv 2.0L 13:1 Compression Ratio Engine," SAE Technical Paper 2016-01-1007, 2016, doi:10.4271/2016-01-1007, Ellies, B., Schenk, C., and Dekraker, P.
- "Investigating the Effect of Advanced Automatic Transmissions on Fuel Consumption Using Vehicle Testing and Modeling," SAE Int. J. Engines 9(3):2016, doi:10.4271/2016-01-1142, Moskalik, A., Hula, A., Barba, D., and Kargul, J.
- "Downsized Boosted Engine Benchmarking Method and Results," SAE Technical Paper 2015-01-1266, 2015, doi:10.4271/2015-01-1266, Stuhldreher, M., Schenk, C., Brakora, J., Hawkins, D., Moskalik, A., and Dekraker, P.
- "Vehicle Component Benchmarking Using a Chassis Dynamometer," SAE Int. J. Mater. Manf. 8(3):2015, doi:10.4271/2015-01-0589, Moskalik, A., Dekraker, P., Kargul, J., and Barba, D.
- "HIL Development and Validation of Lithium Ion Battery Packs," SAE Technical Paper 2014-01-1863, 2014, doi:10.4271/2014-01-1863, Lee, S., Cherry, J., Lee, B., McDonald, J., and Safoutin, M.

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EPA Presentations Regarding the Midterm Evaluation

EPA also has publicly presented information about our work in numerous forums. Click the links below to view selected presentations:

- EPA presentations regarding the MTE
- EPA presentation regarding the ALPHA tool

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Contact Us to ask a question, provide feedback, or report a problem.

Regulations for Emissions from Vehicles and Engines Home

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- Onroad
- Nonroad
- Greenhouse Gas

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LA

To: Grundler, Christopher[grundler.christopher@epa.gov]
Cc: Moran, Robin[moran.robin@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]
From: Charmley, William
Sent: Mon 3/27/2017 6:43:40 PM
Subject: RE: Inside EPA: CARB retains GHG rules (and letter from Alliance to White House)

Chris –

We can cover this at the 3pm.

Mike and several staff listed to much of the hearing, I think Robin as well. But, I think at about 5pm eastern time on Friday the Ann Arbor team signed off, but the hearing was still going.

From: Grundler, Christopher
Sent: Monday, March 27, 2017 1:37 PM
To: Charmley, William <charmley.william@epa.gov>
Subject: RE: Inside EPA: CARB retains GHG rules (and letter from Alliance to White House)

Bill—did you have anyone watch the hearing? I'd like to know if any of the auto reps answered the questions Mary posed (according to this story)

From: Charmley, William
Sent: Monday, March 27, 2017 1:25 PM
To: Grundler, Christopher <grundler.christopher@epa.gov>; Hengst, Benjamin <Hengst.Benjamin@epa.gov>; OTAQ Materials <OTAQMaterials@epa.gov>
Cc: Simon, Karl <Simon.Karl@epa.gov>
Subject: FW: Inside EPA: CARB retains GHG rules (and letter from Alliance to White House)

Please print the attached letter, and the email below, off for Chris.

Thanks

Bill

From: Moran, Robin
Sent: Monday, March 27, 2017 1:17 PM
To: Charmley, William <charmley.william@epa.gov>; Alson, Jeff <alson.jeff@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>
Cc: Simon, Karl <Simon.Karl@epa.gov>; Snapp, Lisa <snapp.lisa@epa.gov>; Dickinson, David <Dickinson.David@epa.gov>; Hengst, Benjamin <Hengst.Benjamin@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>
Subject: RE: Inside EPA: CARB retains GHG rules (and letter from Alliance to White House)

Here it is.

From: Charmley, William
Sent: Monday, March 27, 2017 1:05 PM
To: Moran, Robin <moran.robin@epa.gov>; Alson, Jeff <alson.jeff@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>
Cc: Simon, Karl <Simon.Karl@epa.gov>; Snapp, Lisa <snapp.lisa@epa.gov>; Dickinson, David <Dickinson.David@epa.gov>
Subject: Fwd: Inside EPA: CARB retains GHG rules (and letter from Alliance to White House)

This article references in March 23 letter from the auto alliance

if someone could find that letter and email it around I would appreciate it

Thanks

Bill

Sent from my iPhone

Begin forwarded message:

From: "Dickinson, David" <Dickinson.David@epa.gov>
Date: March 27, 2017 at 12:23:30 PM EDT
To: "Simon, Karl" <Simon.Karl@epa.gov>, "Charmley, William" <charmley.william@epa.gov>, "Olechiw, Michael" <olechiw.michael@epa.gov>, "Alson, Jeff" <alson.jeff@epa.gov>, "Moran, Robin" <moran.robin@epa.gov>
Subject: Inside EPA: CARB retains GHG rules (and letter from Alliance to White House)

Daily News

California Retains Vehicle GHG Rules But Invites Industry To 'Sit Down'

March 24, 2017

The California Air Resources Board (CARB) is retaining the state's vehicle greenhouse gas standards for model year 2022-2025 that currently align with national rules, but is inviting the auto industry to discuss its implementation concerns, though its top official is promising to maintain the rules "overall impact."

The move suggests that the board may be open to tweaking its rules to maintain one set of national requirements amid the Trump administration's recent move to revisit federal standards, though it indicates a relatively narrow set of options may be available to the administration and the industry as they work to review the parallel federal standards.

"We invite you to come and sit down with us, if you have specific concerns about the implementation of the existing regulations that can be addressed without weakening the overall impact, which is what I've heard the leaders of your associations say is what you wanted to do," CARB Chairwoman Mary Nichols said during a March 24 meeting, addressing industry representatives.

However, Nichols also sharply criticized the automakers for asking EPA to

reopen its mid-term review of the MY22-25 standards.

“What were you thinking? What were you thinking when you threw yourselves on the mercy of the Trump administration to try to solve your problems?” she said. “It just does not make sense.”

She also attacked the industry, charging it had lobbied behind the scenes for EPA to reject or revoke CARB's Clean Air Act waiver to implement stricter vehicle GHG emission rules than the federal government.

“And when we hear today that you didn't really mean to question the validity of the California waiver -- well, our newly confirmed head of the EPA said he was prepared to do just that,” Nichols said. “What did you mean when you said you didn't want to question the overall thrust of the standards? Why do another review if the current program is basically okay?”

Despite her sharp criticism, she added: “Now, if there were changes that needed to be made again on the implementation side, bring them forward and have a discussion. We invite you to do that.”

Nichols comments came one day after the Alliance of Automobile Manufacturers sent letter to California officials and the White House that stressed the importance of maintaining “one national program” of GHG rules, in which state, EPA and Transportation Department (DOT) standards are aligned, despite the Golden State's authority to enforce stricter limits.

In its March 23 letter to the White House, the group both signaled that it does not want a broad rollback of the program, while urging California to participate in the Trump administration's renewed review of the federal program.

“Automakers seek certainty, predictability and rationality -- over time -- from the regulatory process,” the letter says. “Given the multi-agency and federal/state realities of these programs, the idea of [a national program] is critical to smart, coherent regulation.”

The group added that it hopes “all stakeholders, including California, [will come] to the table in a genuine, serious and constructive effort to build consensus for a thoughtful, coordinated policy outcome.”

Given California's offer to “sit down” with automakers, as well as industry's stated goal for a “consensus” process, it appears less likely that the Trump administration will ultimately target the state's air act waiver, an unprecedented step that state officials vowed to vigorously oppose in court.

'Standards Are Appropriate'

At the meeting, CARB passed a resolution that accepts its staff's Jan. 18 mid-term review of its multi-pronged Advanced Clean Cars regulation, which includes the GHG tailpipe standards, zero-emission vehicle (ZEV) regulation and low emission vehicle (LEV) III air pollution emission limits, including an ultra-low particulate matter standard.

Specifically, CARB concludes that its staff's analysis of the vehicle GHG standards "affirmed current federal standards are appropriate, and CARB recommends continued participation in the National Program through 2025, provided no future changes weaken expected benefits in California."

Last week, EPA and DOT announced they would revisit the Obama EPA's January determination to retain current GHG standards for MY22-25 vehicles, which was widely seen as a move to complicate any Trump efforts to soften the rules.

This week, EPA Administrator Scott Pruitt defended the move to re-open the mid-term review, suggesting that it is part of a broader effort by the administration to provide relief to the auto sector.

Gov. Jerry Brown (D), visiting with federal officials and lawmakers this week in Washington, D.C., ramped up the Golden State's rhetoric on expected Trump administration efforts to soften the light-duty vehicle GHG standards and potentially target the state's power to set stronger limits.

Nichols also during the meeting criticized as "troubling" recent automaker suggestions that CARB agreed in 2011 as part of the national pact on the MY17-25 standards that companies would be "deemed to comply" with California rules as long as they met whatever federal standards are in place during that time frame.

The state's mid-term review, she noted, says such "deemed to comply" language applies only if the federal program is unchanged from the current requirements.

And Nichols pushed back on automaker statements that EPA prematurely ended the federal mid-term review, arguing "it was never intended" by the federal agencies and CARB that the review would "have to go out to the full possible length" of the schedule laid out by the regulators, which was mid-2018.

She said the automakers' complaints about this process “struck us as being strange, to put it mildly, and certainly not based on the agreement that we were part of.”

CARB says in its mid-term review that it is beginning to develop post-2025 GHG tailpipe standards because the "national program is very modest in terms of promoting electrification needed to meet California's public health and environmental needs beyond 2025.”

ZEV Requirements

CARB's passage of the resolution also maintains the stringency of its ZEV and LEV III regulations through 2025, despite calls by automakers to ease the ZEV requirements, especially given the fact that several Northeast states have adopted California's rules. Industry says there is poor demand for ZEVs in that region.

The CARB plan calls for ZEV requirements to be strengthened “for 2026 and subsequent model years to continue on the path towards meeting California’s 2030 and later climate change and air quality targets.” New provisions will target how ZEV credits are generated and to “increase certainty on future vehicle volumes, technology improvement,” and plug-in hybrid electric vehicle qualifications and other factors to maximize GHG and criteria pollutant reductions.

Steve Douglas, representing the auto alliance, told the CARB meeting that “the ZEV market is not sustainable today.” He said the board's regulations are “very aggressive,” requiring a tripling of sales over the next few years and requiring other states to sell “five to 10 times” that amount.

Douglas pointed out the industry's recommendations for easing the current ZEV standards, but said if the board was not interested in making changes now, “we ask the board to continue to monitor this and make appropriate changes in the 2019 time frame.” -- *Curt Barry* (cbarry@iwpnews.com)

David Dickinson

202-343-9256

Dickinson.David@epa.gov

To: Grundler, Christopher[grundler.christopher@epa.gov]; Hengst, Benjamin[Hengst.Benjamin@epa.gov]; OTAQ Materials[OTAQMaterials@epa.gov]
Cc: Simon, Karl[Simon.Karl@epa.gov]
From: Charmley, William
Sent: Mon 3/27/2017 5:25:26 PM
Subject: FW: Inside EPA: CARB retains GHG rules (and letter from Alliance to White House)
Alliance letter to WH_3-23-17.pdf

Please print the attached letter, and the email below, off for Chris.

Thanks

Bill

From: Moran, Robin
Sent: Monday, March 27, 2017 1:17 PM
To: Charmley, William <charmley.william@epa.gov>; Alson, Jeff <alson.jeff@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>
Cc: Simon, Karl <Simon.Karl@epa.gov>; Snapp, Lisa <snapp.lisa@epa.gov>; Dickinson, David <Dickinson.David@epa.gov>; Hengst, Benjamin <Hengst.Benjamin@epa.gov>; Sutton, Tia <sutton.tia@epa.gov>
Subject: RE: Inside EPA: CARB retains GHG rules (and letter from Alliance to White House)

Here it is.

From: Charmley, William
Sent: Monday, March 27, 2017 1:05 PM
To: Moran, Robin <moran.robin@epa.gov>; Alson, Jeff <alson.jeff@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>
Cc: Simon, Karl <Simon.Karl@epa.gov>; Snapp, Lisa <snapp.lisa@epa.gov>; Dickinson, David <Dickinson.David@epa.gov>
Subject: Fwd: Inside EPA: CARB retains GHG rules (and letter from Alliance to White House)

This article references in March 23 letter from the auto alliance

if someone could find that letter and email it around I would appreciate it

Thanks

Bill

Sent from my iPhone

Begin forwarded message:

From: "Dickinson, David" <Dickinson.David@epa.gov>
Date: March 27, 2017 at 12:23:30 PM EDT
To: "Simon, Karl" <Simon.Karl@epa.gov>, "Charmley, William" <charmley.william@epa.gov>, "Olechiw, Michael" <olechiw.michael@epa.gov>, "Alson, Jeff" <alson.jeff@epa.gov>, "Moran, Robin" <moran.robin@epa.gov>
Subject: Inside EPA: CARB retains GHG rules (and letter from Alliance to White House)

Daily News

California Retains Vehicle GHG Rules But Invites Industry To 'Sit Down'

March 24, 2017

The California Air Resources Board (CARB) is retaining the state's vehicle greenhouse gas standards for model year 2022-2025 that currently align with national rules, but is inviting the auto industry to discuss its implementation concerns, though its top official is promising to maintain the rules "overall impact."

The move suggests that the board may be open to tweaking its rules to maintain one set of national requirements amid the Trump administration's recent move to revisit federal standards, though it indicates a relatively narrow set of options may be available to the administration and the industry as they work to review the parallel federal standards.

"We invite you to come and sit down with us, if you have specific concerns about the implementation of the existing regulations that can be addressed without weakening the overall impact, which is what I've heard the leaders of

your associations say is what you wanted to do," CARB Chairwoman Mary Nichols said during a March 24 meeting, addressing industry representatives.

However, Nichols also sharply criticized the automakers for asking EPA to reopen its mid-term review of the MY22-25 standards.

"What were you thinking? What were you thinking when you threw yourselves on the mercy of the Trump administration to try to solve your problems?" she said. "It just does not make sense."

She also attacked the industry, charging it had lobbied behind the scenes for EPA to reject or revoke CARB's Clean Air Act waiver to implement stricter vehicle GHG emission rules than the federal government.

"And when we hear today that you didn't really mean to question the validity of the California waiver -- well, our newly confirmed head of the EPA said he was prepared to do just that," Nichols said. "What did you mean when you said you didn't want to question the overall thrust of the standards? Why do another review if the current program is basically okay?"

Despite her sharp criticism, she added: "Now, if there were changes that needed to be made again on the implementation side, bring them forward and have a discussion. We invite you to do that."

Nichols comments came one day after the Alliance of Automobile Manufacturers sent letter to California officials and the White House that stressed the importance of maintaining "one national program" of GHG rules, in which state, EPA and Transportation Department (DOT) standards are aligned, despite the Golden State's authority to enforce stricter limits.

In its March 23 letter to the White House, the group both signaled that it does not want a broad rollback of the program, while urging California to participate in the Trump administration's renewed review of the federal program.

"Automakers seek certainty, predictability and rationality -- over time -- from the regulatory process," the letter says. "Given the multi-agency and federal/state realities of these programs, the idea of [a national program] is critical to smart, coherent regulation."

The group added that it hopes "all stakeholders, including California, [will come] to the table in a genuine, serious and constructive effort to build consensus for a thoughtful, coordinated policy outcome."

Given California's offer to “sit down” with automakers, as well as industry's stated goal for a “consensus” process, it appears less likely that the Trump administration will ultimately target the state's air act waiver, an unprecedented step that state officials vowed to vigorously oppose in court.

'Standards Are Appropriate'

At the meeting, CARB passed a resolution that accepts its staff's Jan. 18 mid-term review of its multi-pronged Advanced Clean Cars regulation, which includes the GHG tailpipe standards, zero-emission vehicle (ZEV) regulation and low emission vehicle (LEV) III air pollution emission limits, including an ultra-low particulate matter standard.

Specifically, CARB concludes that its staff's analysis of the vehicle GHG standards “affirmed current federal standards are appropriate, and CARB recommends continued participation in the National Program through 2025, provided no future changes weaken expected benefits in California.”

Last week, EPA and DOT announced they would revisit the Obama EPA's January determination to retain current GHG standards for MY22-25 vehicles, which was widely seen as a move to complicate any Trump efforts to soften the rules.

This week, EPA Administrator Scott Pruitt defended the move to re-open the mid-term review, suggesting that it is part of a broader effort by the administration to provide relief to the auto sector.

Gov. Jerry Brown (D), visiting with federal officials and lawmakers this week in Washington, D.C., ramped up the Golden State's rhetoric on expected Trump administration efforts to soften the light-duty vehicle GHG standards and potentially target the state's power to set stronger limits.

Nichols also during the meeting criticized as “troubling” recent automaker suggestions that CARB agreed in 2011 as part of the national pact on the MY17-25 standards that companies would be “deemed to comply” with California rules as long as they met whatever federal standards are in place during that time frame.

The state's mid-term review, she noted, says such “deemed to comply” language applies only if the federal program is unchanged from the current requirements.

And Nichols pushed back on automaker statements that EPA prematurely

ended the federal mid-term review, arguing “it was never intended” by the federal agencies and CARB that the review would “have to go out to the full possible length” of the schedule laid out by the regulators, which was mid-2018.

She said the automakers' complaints about this process “struck us as being strange, to put it mildly, and certainly not based on the agreement that we were part of.”

CARB says in its mid-term review that it is beginning to develop post-2025 GHG tailpipe standards because the "national program is very modest in terms of promoting electrification needed to meet California's public health and environmental needs beyond 2025.”

ZEV Requirements

CARB's passage of the resolution also maintains the stringency of its ZEV and LEV III regulations through 2025, despite calls by automakers to ease the ZEV requirements, especially given the fact that several Northeast states have adopted California's rules. Industry says there is poor demand for ZEVs in that region.

The CARB plan calls for ZEV requirements to be strengthened “for 2026 and subsequent model years to continue on the path towards meeting California’s 2030 and later climate change and air quality targets.” New provisions will target how ZEV credits are generated and to “increase certainty on future vehicle volumes, technology improvement,” and plug-in hybrid electric vehicle qualifications and other factors to maximize GHG and criteria pollutant reductions.

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David Dickinson

202-343-9256

Dickinson.David@epa.gov

Cc: Simon, Karl[Simon.Karl@epa.gov]; Snapp, Lisa[snapp.lisa@epa.gov]; Dickinson, David[Dickinson.David@epa.gov]
To: Moran, Robin[moran.robin@epa.gov]; Alson, Jeff[alson.jeff@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]
From: Charmley, William
Sent: Mon 3/27/2017 5:05:07 PM
Subject: Fwd: Inside EPA: CARB retains GHG rules (and letter from Alliance to White House)
Alliance 3-23-17 ltr to NEC-WH.pdf
ATT00001.htm

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David Dickinson

202-343-9256

Dickinson.David@epa.gov

To: Grundler, Christopher[grundler.christopher@epa.gov]; OTAQ Materials[OTAQMaterials@epa.gov]
Cc: Moran, Robin[moran.robin@epa.gov]; Bolon, Kevin[Bolon.Kevin@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]; Barba, Daniel[barba.daniel@epa.gov]; Simon, Karl[Simon.Karl@epa.gov]; Hengst, Benjamin[Hengst.Benjamin@epa.gov]
From: Charmley, William
Sent: Sun 3/26/2017 12:27:27 AM
Subject: Material for Chris for Tuesday's meeting in D.C. with Toyota and NHTSA/DOT on light-duty GHG and CAFE standards
Toyota Leadership Organization - Bob Carter.docx
Agenda and List of Attendees for Toyota Meeting, March 28 2017.docx
Automotive News, Toyota 2.0 article, Oct 26, 2015.pdf
Meeting with Toyota 28 3 2017_rev20170321a.pptx
Talking Points_Toyota_3-28-17_v2.docx

Dear Chris,

Attached to this email are 5 documents regarding our meeting on Tuesday of this week with Toyota and DOT/NHTSA on light-duty GHG/CAFE. These documents are:

1) The Agenda and List of Toyota & EPA attenddees

2) Draft opening talking points that Robin drafted and I have reviewed for you for the beginning of the meeting. It is important that you review these and let us know if you would like changes.

3) A 2-page document regarding the leadership organization of two of Toyota's operations here in the U.S., Toyota Motor Sales, and the D.C. Office. This also includes a bio on Bob Carter, the most senior person from Toyota in the U.S. who will be attending this meeting.

4) A power point presentation from the EPA technical staff (more on this below)

5) An Automotive News article from Toyota from November of 2015. I still like this article as it provides a global view from the CEO of the company on what the firms long-term plans are.

We have a 1-hour pre-brief with you on Monday afternoon from 3-4pm where we can discuss the material, and the meeting in general.

Time of the Meeting & Location:

•□□□□□□□□ The meeting is at the Toyota D.C. offices. The OTAQ team is landing at DCA at 9am and we will go straight to Toyota.

•□□□□□□□□ The draft agenda says the meeting will go from 10am until 4pm. However, I had initially discussed with Rick Gezelle in February a 10am – 2pm meeting. We only received the agenda at the end of the day Friday, and I have flagged that for Rick today. I have a conflict at 3:30pm, so at the most I can participate until 3pm. Mike, Rick and I will figure that out on Monday.

What do we know about DOT/NHTSA

•□□□□□□□□ I don't believe anyone on my team, including myself, have spoken with NHTSA since I saw Jim Tamm at the Detroit Auto Show, and Mike and others saw Jim Tamm at the SAE Gov't-Industry meeting in January.

•□□□□□□□□ Mike will be calling Jim to discuss the meeting on Monday, and he can let us know what he learns at the Monday pre-brief

What is the EPA Presentation?

•□□□□□□□□ OTAQ has had detailed technical meetings with Toyota in the past few years: a visit to Nagoya in 2014, a mass-reduction meeting in Ann Arbor a few years ago, and our all-day meeting with Toyota in November 2015 (one day in California, ½ day in D.C.).

•□□□□□□□□ At the Japan 2014 meeting and the November 2015 meeting, EPA had many technical questions on the Toyota plans for advanced gasoline engines/transmissions.

•□□□□□□□□ The D.C. team (Rick Gezelle and others), pushed their colleages in Japan to provide more detailed data. This was provided in May 2015. Detailed specifications from

Toyota of 5 of their main-line vehicles, and what type of CO2 performance/efficency for the vehicle, engine, transmissions

•□□□□□□□□ Unfortunately, while we did look at the data, we did not have the time to engage Toyota because of the Draft TAR, and then because of our work on the Proposed and Final Determination we were not able to meet with Toyota

•□□□□□□□□ This presentation is EPA's initial assessment of the Toyota data, and how it compares to the EPA technical assessment

•□□□□□□□□ We provided this presentation to Toyota this past Tuesday, and there have been a few calls already this week to discuss

•□□□□□□□□ We will have about 45 minutes top present and discuss this data at the meeting.

Lunch

•□□□□□□□□ Toyota will provide lunch for our working lunch. Rick will let us know on Monday, but it will probably be $15 or $20 per person.

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803 7th Street N.W., Suite 300 | Washington, DC 20001
202.326.5500 | www.autoalliance.org
MITCH BAINWOL *President & CEO*

March 23, 2017

Gary Cohn
Director, National Economic Council
The White House
1600 Pennsylvania Ave. NW
Washington, DC 20500

Dear Director Cohn:

We appreciate the Trump Administration's announcement last week to ensure that a transparent data-driven analysis will occur prior to reaching a final determination on CAFE/GHG standards, consistent with the long held schedule originally advanced by the prior Administration. In particular, a mid-term review (MTR) can now occur with current data and timely evidence of market realities.

We are now in MY 2017. The agreement between DOT, EPA and California was finalized in 2012 during MY 2013 via a joint final rule with compliance requirements through MY 2025. With the President's action, now there will be an appropriate opportunity to inform the final determination with updated relevant data that more closely approximates a "mid-term" in the truest sense of the word.

As you well know, we are committed to a future of increasing fuel economy. We also believe that it is important not to prejudge the outcome of the MTR. At the same time, we are concerned that consumers are not yet embracing the high MPG offerings we are putting into the market to a degree necessary to facilitate compliance with the original schedule. And that of course, was precisely why the MTR was part of the original Agreement. All parties wanted to make sure that the underlying assumptions about consumer behavior, gas prices and technology costs and adoption remained valid. The need to make sure we are right about these assumptions is critical to reach a determination that fully recognizes, and then optimizes, the broad public policy concerns implicated by these standards, including affordability, employment and carbon reduction.

A key selling point in the original 2012 Agreement was the commitment to ONP – One National Program. That remains an important priority for automakers. Automakers seek certainty, predictability and rationality – over time – from the regulatory process. Given the multi-agency and federal/state realities of these programs, the idea of ONP is critical to smart, coherent regulation.

In the context of last week's announcement, we were pleased to see that the White House indicated a desire to bring all relevant stakeholders, including California, to the table in a genuine, serious and constructive effort to build consensus for a thoughtful, coordinated policy outcome. We think that such an effort is wise and timely, and look forward to participating. Ideally, this process will kick off as soon as possible so that this important work can begin.

With best wishes,

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With best wishes,

To: Olechiw, Michael[olechiw.michael@epa.gov]; Moran, Robin[moran.robin@epa.gov]
From: Charmley, William
Sent: Wed 3/22/2017 8:21:56 PM
Subject: FW: Letter for State Environmental Commissioners on Final Determination for GHG Standards
Joint Ltr re EPA GHG Standards.pdf

Bill Charmley

Director

Assessment and Standards Division

Office of Transportation and Air Quality

U.S. Environmental Protection Agency

National Vehicle and Fuel Emissions Laboratory

2000 Traverwood Drive

Ann Arbor, MI 48105

desk ph. 734-214-4466

cell ph. 734-545-0333

e-mail: charmley.william@epa.gov

From: Simon, Karl
Sent: Wednesday, March 22, 2017 3:21 PM
To: Charmley, William <charmley.william@epa.gov>; Hengst, Benjamin <Hengst.Benjamin@epa.gov>
Subject: FW: Letter for State Environmental Commissioners on Final Determination for GHG Standards

From: Arthur Marin [mailto:amarin@nescaum.org]
Sent: Wednesday, March 22, 2017 2:58 PM
To: Grundler, Christopher <grundler.christopher@epa.gov>
Cc: Simon, Karl <Simon.Karl@epa.gov>
Subject: Letter for State Environmental Commissioners on Final Determination for GHG Standards

Dear Chris and Karl:

Attached is a bi-partisan letter to Administrator Pruitt signed by Environmental Commissioners from 10 states and DC asking EPA to maintain the "Final Determination on the Appropriateness of the Model Year 2022-2025 Light-Duty Vehicle Greenhouse Gas Emissions Standards." The letter also stresses the importance of the independent authority of California to implement its own standards and the right of other states to opt into those California standards.

Regards,

Arthur

Arthur Marin

Executive Director

NESCAUM

617 259-2017

To: Helfand, Gloria[helfand.gloria@epa.gov]
Cc: Moran, Robin[moran.robin@epa.gov]
From: Charmley, William
Sent: Wed 3/22/2017 6:34:59 PM
Subject: Re: Jobs Bounce Debated As Trump Promises CAFE Review

Yes, thanks

Sent from my iPhone

On Mar 22, 2017, at 1:04 PM, Helfand, Gloria <helfand.gloria@epa.gov> wrote:

Robin & I discussed that, during the consumer briefing next week, we can discuss the Graham report as well as scheduling this meeting. Does that seem reasonable?

Gloria Helfand, Ph.D.

Assessment and Standards Division

Office of Transportation and Air Quality

U.S. Environmental Protection Agency

2000 Traverwood Drive

Ann Arbor, MI 48105

(734) 214-4688

From: Charmley, William
Sent: Wednesday, March 22, 2017 1:03 PM
To: Moran, Robin <moran.robin@epa.gov>; Helfand, Gloria <helfand.gloria@epa.gov>
Subject: RE: Jobs Bounce Debated As Trump Promises CAFE Review

Robin and Gloria –

Let's make sure that Gloria follows up with John Graham at I.U. regarding the offer for a briefing for the EPA analysts.

It would be great if they could come to Ann Arbor sometime in the next few months.

Bill

From: Moran, Robin
Sent: Wednesday, March 22, 2017 11:52 AM
To: Midterm Review <Midterm_Review@epa.gov>; Charmley, William <charmley.william@epa.gov>
Subject: FW: Jobs Bounce Debated As Trump Promises CAFE Review

http://wardsauto.com/industry/jobs-bounce-debated-trump-promises-cafe-review

This article's bottom line: "It is unclear, though, where in the auto industry chain new jobs would sprout from looser efficiency regulations, or how many could be created."

Includes quotes from Bainwol, Therese Langer, Senator Markey, and some UM professor talking about a gas tax. Quotes also from the NHTSA preamble in 17-25 rule on employment effects.

Jobs Bounce Debated As Trump Promises CAFE Review

Mar 21, 2017 **James M. Amend** | ***WardsAuto***

The president's rhetoric has presented his administration's second look at the standards as fulfilling a campaign promise of easing burdensome industry regulations to stimulate job growth.

President Trump's plan to conduct a second midterm review of federal fuel-economy and carbon-dioxide emissions standards arguably sets right a wrong because the previous examination was rushed through with limited industry input, but whether easing those goals will create jobs is considered debatable.

"EPA pulled a fast one," Rebecca Lindland, analyst with Kelley Blue Book, says of the late-2016 CAFE review. "It was incredibly disingenuous."

President Obama brokered a deal with automakers selling light vehicles in the U.S. for a lofty CAFE standard of 54.5 mpg (4.3 L/100 km) by 2025. The stair-stepped rules, which began with the '17 model year, are footprint-based to keep the playing field level between makers of predominantly larger or smaller vehicles. It also contains credits and other loopholes to make the bogey easier to meet.

However, the biggest carrot Obama presented to the industry with the rules was a midterm review in 2016 to determine how the industry was progressing against the tougher standards. A first step in the review was a technical assessment paper released in July by the EPA, NHTSA and California Air Resources Board. It concluded automakers were making the necessary innovations to improve efficiency at a faster pace and lower cost than anticipated, but 54.5 mpg by 2025 might be unrealistic.

The review was to continue with commentary from stakeholders until April, but the EPA moved the deadline up to January and decided to maintain the standards as originally written before Obama left office.

"We all agreed that 2017-2018 will be used to carry out a thorough midterm review with the full participation of the auto industry," FCA CEO Sergio Marchionne said last week after a Trump rally outside Detroit to announce reopening the review. "I know for a fact that we were not called in (to the late-2016 review). To me it was like somebody reneged on a deal. I don't like it."

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Others claim a second review puts at risk billions of dollars in potential fuel savings for consumers and possibly dramatic reduction in tailpipe emissions.

"Automakers pushed the administration toward (Trump's) announcement, but they are doing their own industry a disservice," says Therese Langer, director-transportation program at the American Council for Energy Efficient Economy, an advocate for energy efficiency.

"Any delay in settling efficiency standards introduces uncertainty that will disrupt manufacturers' product planning," she adds. "What is certain is that technological stagnation is not a recipe for continuing the remarkable success our domestic manufacturers have achieved in recent years."

U.S. Sen. Ed Markey (D-MA) called any easing of the rules "the wrong way to go for our security,

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However, Trump's rhetoric has presented his administration's second look at the standards as fulfilling a campaign promise of relaxing burdensome industry regulations to stimulate job growth. The president also plans to target tax reform, among other business-friendly policy steps. Whether jobs will come from looser efficiency standards is debatable.

"Trump could revitalize the auto industry," says Gary Chaison, an industrial relations labor historian at Clark University in Worcester, MA. "It's payback time."

It is unclear, though, where in the auto industry chain new jobs would sprout from looser efficiency regulations, or how many could be created. In fact, the promise of new jobs from a rules rollback runs contrary to arguments underpinning their enactment in 2011.

As supporters pushed for tough 2017-2025 standards, they touted job creation as a major benefit of the rules, alongside cleaner air and reduced annual fuel costs for Americans. The UAW, National Resources Defense Council and National Wildlife Foundation stated in a report to the EPA and NHTSA during drafting of the standards that if 75% of the additional content needed for fleets to reach 40 mpg (5.9 L/100 km) by 2020 were put into production, an estimated 150,000 new jobs would be created.

"The final rule will likely have a positive effect on employment in R&D and at suppliers and auto assemblers for additional parts such as turbochargers," NHTSA concluded.

The Defour Group, a Michigan business consultancy, was one voice arguing the potential negative implications of the rule by forecasting 205,000 jobs would be lost as fuel-efficiency technologies raised car prices and deflated sales. The Center for Automotive Research, an Ann Arbor, MI-based think tank, speculated the new technologies would increase costs upwards of $6,000 per vehicle.

NHTSA determined otherwise, saying, "It is highly unlikely the rule would lead to significant job losses in the near-term in the automotive industry."

According to the Obama Admin., U.S. auto industry employment doubled between 2010 and 2015 by adding 500,000 jobs.

But the industry also witnessed an historic rebound from record-low sales at the end of the previous decade to all-time annual highs of 17.5 million vehicles in 2015 and 2016. Low interest rates, flexible borrowing terms, consumer confidence and cheap gas have been cited as the primary drivers, not the development of fuel-saving technologies.

Last week, Trump effectively promised the same outcome from going in the opposite direction. Lindland says it is difficult to speculate on what effect looser fuel rules would create.

"It is not a black-and-white question," she says. "If OEMs were allowed to invest in the technologies consumers want and there is a tangible environmental benefit, everyone wins. But the big challenge is on fuel economy. There is not a national demand for hybrid (cars) and electric vehicles."

America's currently insatiable appetite for bigger, less-fuel-efficient vehicles could be the wild card in Trump's strategy. If fuel prices remain low, as many feared when the 2017-2025 rules were drafted, consumers may continue to eschew mandated fuel-efficient technologies and automakers will have to cut jobs to make up for unsold products.

"Whether it spurs or inhibits job growth is something that can be debated endlessly," Lindland offers.

The question also exists of where Trump's jobs would go. Some have argued the recently emerging promise of autonomous driving could replace R&D jobs lost to cutbacks in fuel-efficiency research. But at the same time, automakers are reluctant to add vehicle-production capacity in the U.S. for fear another sales downturn only would lead to a new round of painful plant closings.

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"Trump is correct in his assessment of this specific policy, but not the broader context. There is no free lunch," he says.

But a fresh look at the rules signals automakers may have a new supporter in their corner, Chaison adds.

"The auto industry has an ally in Donald Trump, because they are a high-profile industry," he says.

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March 22, 2017

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Quotable

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Source: WardsAuto

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Auto Makers Target China as New U.S. Trade Rules Loom

Global car makers push Trump to take a harder line over Chinese regulations that protect local companies

Top auto makers, facing the threat of costly North American trade policy changes, want the Trump administration to take a harder line on a market thousands of miles from their home turf. China's car business is attractive to outsiders chasing sales growth, but rules protecting local companies dent profits of global auto giants and force them to share technology with potential rivals. The 25% tariff on vehicle imports makes U.S.-built automobiles too expensive for most buyers in the world's largest auto market.

Source: The Wall Street Journal (subscription required)

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Source: Automotive News

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Source: Reuters

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Date: Wednesday, March 22, 2017
Time: 12 p.m. ET
Duration: 30 minutes

Source: NADA Dealership Operations

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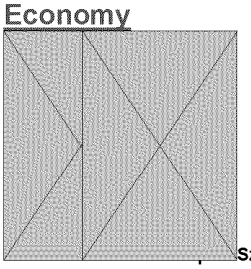

Szakaly

NADA Chairman Mark Scarpelli and NADA Chief Economist Steven Szakaly will share their insights on the overall economy and where it is trending and provide any revisions to NADA's outlook following the first quarter sales results for new cars and light trucks, as well as highlight the key sales indicators and drivers of the retail-auto industry. NADA has forecast sales of 17.1 million new light vehicles for 2017.

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Scarpelli is president of Raymond Chevrolet and Raymond Kia in Antioch, Ill., and co-owner of Ray Chevrolet and Ray Chrysler-Jeep-Dodge-Ram in Fox Lake, Ill.

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Source: NADA

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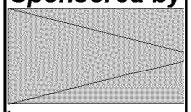

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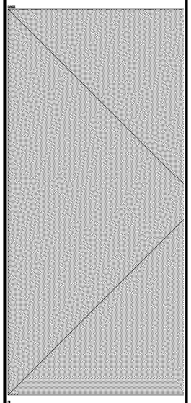

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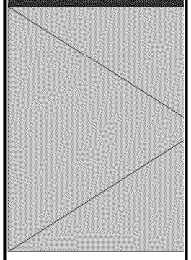

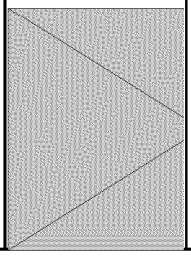

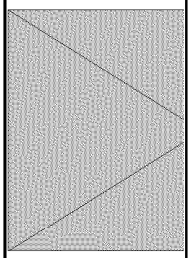

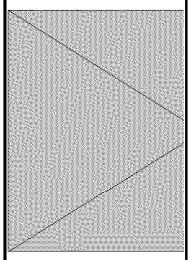

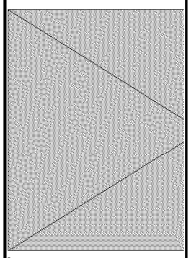

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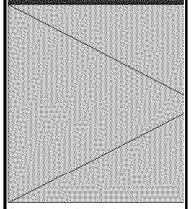

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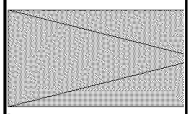
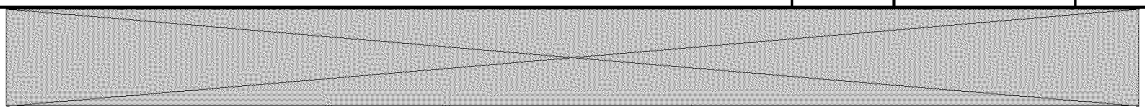
NADA members can view past webinars on-demand at no charge at **NADA University Online**. Members must create an NADA account before viewing.





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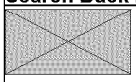

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To: Moran, Robin[moran.robin@epa.gov]; Helfand, Gloria[helfand.gloria@epa.gov]
From: Charmley, William
Sent: Wed 3/22/2017 5:03:19 PM
Subject: RE: Jobs Bounce Debated As Trump Promises CAFE Review

Robin and Gloria –

Let's make sure that Gloria follows up with John Graham at I.U. regarding the offer for a briefing for the EPA analysts.

It would be great if they could come to Ann Arbor sometime in the next few months.

Bill

From: Moran, Robin
Sent: Wednesday, March 22, 2017 11:52 AM
To: Midterm Review <Midterm_Review@epa.gov>; Charmley, William <charmley.william@epa.gov>
Subject: FW: Jobs Bounce Debated As Trump Promises CAFE Review

http://wardsauto.com/industry/jobs-bounce-debated-trump-promises-cafe-review

This article's bottom line: "It is unclear, though, where in the auto industry chain new jobs would sprout from looser efficiency regulations, or how many could be created."

Includes quotes from Bainwol, Therese Langer, Senator Markey, and some UM professor talking about a gas tax. Quotes also from the NHTSA preamble in 17-25 rule on employment effects.

Jobs Bounce Debated As Trump Promises CAFE Review

Mar 21, 2017 James M. Amend | ***WardsAuto***

The president's rhetoric has presented his administration's second look at the standards as fulfilling a campaign promise of easing burdensome industry regulations to stimulate job growth.

President Trump's plan to conduct a second midterm review of federal fuel-economy and carbon-dioxide emissions standards arguably sets right a wrong because the previous examination was rushed through with limited industry input, but whether easing those goals will create jobs is considered debatable.

"EPA pulled a fast one," Rebecca Lindland, analyst with Kelley Blue Book, says of the late-2016 CAFE review. "It was incredibly disingenuous."

President Obama brokered a deal with automakers selling light vehicles in the U.S. for a lofty CAFE standard of 54.5 mpg (4.3 L/100 km) by 2025. The stair-stepped rules, which began with the '17 model year, are footprint-based to keep the playing field level between makers of predominantly larger or smaller vehicles. It also contains credits and other loopholes to make the bogey easier to meet.

However, the biggest carrot Obama presented to the industry with the rules was a midterm review in 2016 to determine how the industry was progressing against the tougher standards. A first step in the review was a technical assessment paper released in July by the EPA, NHTSA and California Air Resources Board. It concluded automakers were making the necessary innovations to improve efficiency at a faster pace and lower cost than anticipated, but 54.5 mpg by 2025 might be unrealistic.

The review was to continue with commentary from stakeholders until April, but the EPA moved the deadline up to January and decided to maintain the standards as originally written before Obama left office.

"We all agreed that 2017-2018 will be used to carry out a thorough midterm review with the full participation of the auto industry," FCA CEO Sergio Marchionne said last week after a Trump rally outside Detroit to announce reopening the review. "I know for a fact that we were not called in (to the late-2016 review). To me it was like somebody reneged on a deal. I don't like it."

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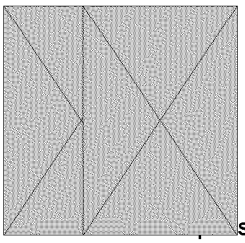
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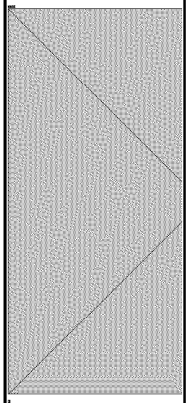

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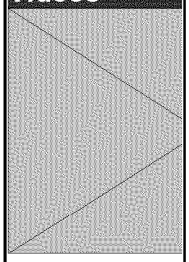

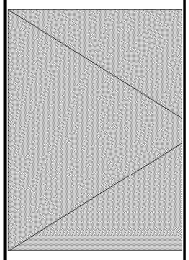

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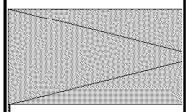

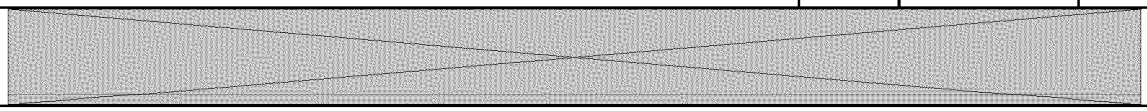

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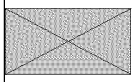

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To: Hengst, Benjamin[Hengst.Benjamin@epa.gov]
Cc: Orlin, David[Orlin.David@epa.gov]; Kataoka, Mark[Kataoka.Mark@epa.gov]; Simon, Karl[Simon.Karl@epa.gov]; Olechiw, Michael[olechiw.michael@epa.gov]; Moran, Robin[moran.robin@epa.gov]; Jeff Alson[Alson.Jeff@epa.gov]; Cook, Leila[cook.leila@epa.gov]
From: Charmley, William
Sent: Tue 3/21/2017 7:59:04 PM
Subject: Final OTAQ draft of 2 page document for EPA Administrator regarding the light-duty GHG MTE and the CAFE standards
2 page on history, status, next steps for LD MTE, March 20, 2017, Final.docx

Ben –

Here's the final draft. I believe this is ready to be sent to Sarah.

Bill

To: Moran, Robin[moran.robin@epa.gov]
From: Charmley, William
Sent: Tue 3/21/2017 12:27:37 PM
Subject: Re: Draft: 2 page document for EPA Administrator regarding the light-duty GHG MTE and the CAFE standards

Robin

Thanks.

Gail is going to schedule 30 ministry with mike and Kevin with me to go Ober my brief comments on the EPA Toyota presentation.

Ex. 6 - Personal Privacy Let me know if you would like to join us

Thanks
Bill

Sent from my iPhone

On Mar 21, 2017, at 8:21 AM, Moran, Robin <moran.robin@epa.gov> wrote:

Bill,

Some minor suggestions. Added NHTSA's MY2022 deadline of April 1, 2020 (consistent w/FR), added reg citation, and minor edits like changing past actions to past tense,

I'm in training again today in the lobby, but feel free to get me if anything's urgent.

Robin

From: Charmley, William
Sent: Monday, March 20, 2017 4:39 PM
To: Moran, Robin <moran.robin@epa.gov>; Olechiw, Michael <olechiw.michael@epa.gov>; Hengst, Benjamin <Hengst.Benjamin@epa.gov>; Simon, Karl <Simon.Karl@epa.gov>; Kataoka, Mark <Kataoka.Mark@epa.gov>
Cc: Orlin, David <Orlin.David@epa.gov>; Cook, Leila <cook.leila@epa.gov>

Subject: Draft: 2 page document for EPA Administrator regarding the light-duty GHG MTE and the CAFE standards

Dear all,

We have received a request from the Office of Policy through Acting AA Dunham for a 2-page document for the Administrator. We were specifically asked to provide information on the History, Recent Actions, and Next Steps regarding the light-duty MTE process.

Attached is a first draft. Please provide any comments by noon on Tuesday.

Thanks

Bill

<2 page on history status next steps for LD MTE March 20 2017 draft 1_RM.docx>