

Rolling-Back Vehicular Emissions Standards: Different Strokes

By Ope Osinubi, LL.M Candidate, L.L.M. Candidate 2017 | April 18, 2017

The Trump administration recently indicated its willingness to halt Obama-era vehicular emissions standards. In an [announcement](#) that foreshadowed executive action, President Trump promised to freeze and potentially review vehicle emission standards.

Under a legal regime harmonized by Obama-era regulations, the Department of Transportation, the Environmental Protection Agency (EPA) together with California, empowered by a Clean Air Act waiver, can prescribe and review fuel economy standards for cars and light trucks. These standards are to operate from 2012 to 2025 with the possibility of midterm evaluation in 2018. President Obama's EPA and the [California Air Resources Board](#) had both [confirmed](#) the application of those standards through to 2025. However, President Trump may revisit this midterm evaluation in order to make it easier for manufacturers to meet emission standards. Additionally, (although less likely) the Trump administration may challenge the California waiver that allows that state to pursue standards stricter than the federal government.

Just how much could this change? The EPA's midterm evaluation of the vehicular standards is already the subject of litigation, with [California](#) and [9 states](#) indicating their willingness to defend the emission standards. Attempts by the EPA or Department of Transportation to enforce President Trump's announcement is thus likely to be met with resistance. Environmentalists will also surely view any rollback of the emissions standards as undermining the United States' commitment to reduce (GHG) emissions under the [Paris Accord](#).

However, the effect may be more neutral for businesses. For one, this federal dispute comes after states like Georgia, [once home to a booming electric car market](#), [repealed](#) tax credits and [established](#) registration fees that undercut the electric vehicle market. Similarly, Colorado, Illinois, Pennsylvania and Tennessee have allowed clean vehicle incentives to expire. Additionally, California's authority to establish more stringent standards may, as long as it is not challenged, effectively make its regulations the benchmark for auto manufacturers. California is a crucial auto market, representing 10% of all sales, and its zero emission vehicle standards have been [adopted by 9](#) other states. Finally, responses by automakers to a loosening of standards is likely to differ according to their strategic objectives. While weaker long-term standards may affect the outlook for electric vehicles, some analysts doubt that it would significantly [undercut investment](#) in autonomously driven electric cars.

Eventually, much will depend on the administration's next steps and just how much of President Obama's climate change legacy it seeks to challenge.