



YOUR MARKET PLACE FOR CO₂ TECHNOLOGY, NEWS & POLICY

NEWS:

- Latest news
- Product News
- Company News
- Policy News
- Conference News
- General News
- Eco Cute Flash News
- Subscription

[Home](#) [News](#) [Latest News](#)

U.S. car industry & climate policies – Are you confused?

A never-ending list of proposed mileage standards and several lawsuits of States vs. Car Industry add momentum to the U.S. complex picture on fuel economy and vehicle emissions legislation. Find here a comprehensive summary by R744.com.

2007-12-06

Looking at the current number of lawsuits, legal initiatives and media attention to vehicle emissions reductions, the car industry is confronted with big challenges regarding its "green" image. While overall U.S. greenhouse gas (GHG) emissions decreased slightly from 2005 to 2006, emissions from cars continued to rise. Facing increasing pressure from consumer groups and environmentalists, as well as international isolation as the only industrial nation not having ratified the Kyoto Protocol, U.S. lawmakers are currently outdoing each other to push forward landmark fuel economy and GHG laws.

Federal level: Historic move on fuel economy

The probability that Congress will vote on new fuel economy standards before year end is higher than ever before. After the House of Representatives had reached a historic agreement on the first meaningful improvement in vehicle fuel economy in more than 30 years on 30 November, an energy bill containing the mileage standards was approved by a bipartisan House vote yesterday, 6 December. The deal would raise nation-wide standards to an average of 35 miles per gallon (mpg) by 2020, a 40% increase from today. If passed, it will deliver consumer savings of more than \$20 billion in 2020.

The energy bill, however, could remain a moral victory for its supporters as it still has to be approved by the Senate and the White House. It is expected to face strong resistance from the Senate, which will vote on the package as early as this weekend. If by some miracle it gets by the Senate, the White House has already announced to veto new fuel economy standards. This, supporters argue, would put an end to the first serious attempt in decades to reduce the U.S. dependency on imported oil and jump-start the development of new automotive technologies.

Surprisingly, the 35 mpg is now supported by all major carmakers that had opposed it during the last months, after securing a few concessions from lawmakers – e.g. a separate fuel economy standard for passenger and non-passenger vehicles.

In the meantime, the EPA (Environmental Protection Agency) and other state agencies are working on the first-ever national GHG emission rules to achieve a 20% reduction of gasoline use by 2017. The so-called "Twenty in Ten Plan" by President Bush is competing with the Congress proposal, and could threaten state's rights to enforce stricter GHG limits than the federal ones.



State level: Decision on California's landmark law near

Early November, California filed a lawsuit against the EPA to force a decision on a waiver request on the state's landmark vehicle GHG emissions law AB 1493. This would require a 30% reduction in vehicle emissions by 2016. After nearly two years of waiting, California and 14 other states supporting California's law need a final decision urgently to enact the standards, stricter than the federal ones, as early as January 2008. California has now asked the Congress for its support on this key issue. The EPA announced to decide before year-end.

Support could come from a September court decision that blocked the car industry's attempt to stop the state of Vermont from passing GHG standards similar to the Californian ones. The judge ruled that states can adopt their own GHG rules without violating federal authority for fuel economy regulation. The case was the first legal test for AB 1493 and is expected to influence the lawsuit the car industry filed against California. End November, this legal battle moved to a federal court, which will decide whether California's GHG emission standard is influencing national fuel economy legislation in an illegitimate way.

At present, the future of AB 1493 is thus unclear. The best-case scenario for California would be a quick decision on the waiver request and an early enforcement of the law in 14 states. The complete dismissal of AB 1493 could happen, however, if:

- the EPA refuses the waiver request,
- new national GHG emission standards override California's right to set separate standards, or if
- a new national fuel economy bill passes Congress only with a clause that deprives states of their right to enforce stricter than federal standards.

What next?

The success of legislative proposals at the federal and state level is largely interdependent, as any breakthrough on one initiative could set the framework for others. The accompanying lawsuits may help to accelerate the pace or slow things down. The month of December could be decisive for future fuel economy and climate change legislation in the U.S.

More information:

[Read: "California sues EPA over car emissions limits", 9 Nov 2007](#)

[Read: "Senate bill to speed up California emissions law", 2 Aug 2007](#)

[Read: "US Senate approves new fuel efficiency standards", 22 June 2007](#)