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Trump EPA rolls back clean car standards, hurting Massachusetts

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On Monday, President Trump's Environmental Protection Agency (EPA) Administrator Scott Pruitt deemed America's transportation emissions standards "inappropriate," reversing the agency's previous determination to keep the Obama-era policy.

This unprecedented action by the Trump administration will negatively impact Massachusetts' economic stability, job growth, air quality, and emission reduction goals. State lawmakers should therefore respond with proactive policies focused on reducing emissions from the transportation sector.

Background: Clean Car Standards

The Obama administration approved the latest clean car standards in 2012, with the support of automakers. In January 2017, the EPA concluded that these standards do work, are achievable, and should not be rolled back. Their <u>report</u> also cited how automakers were previously on track to meet the clean car standards at lower cost than originally anticipated.¹

Yet, without any change in the facts, Pruitt is reversing the standards, ignoring the thousands of pages of research and analysis that support keeping them in place. Once the decision is finalized, it's unlikely to face significant challenge in the courts given the federal government's rights under the commerce clause of the US constitution.

Clean Car Benefits to Massachusetts

Benefiting Consumers— The clean car standards have already improved the fuel economy of all types of passenger vehicles, cutting gas use and saving money for households throughout the state.²

- Since 2011, the vehicle standards have reduced gas consumption by more than 186 million gallons.
- As a result, drivers saved \$602 million—the equivalent of \$212 per household—in fuel costs between 2012-2016.
- By 2030, the average resident will be \$2,650 richer if clean car standards are kept.

Strengthening the Economy—By saving money at the pump, consumers have more to spend in other sectors of the economy—from food services to household needs—which can create local jobs. This means a stronger economy in Massachusetts that is more resilient to fluctuations in the global price of gas.³

• By 2030, the current standard is estimated to reduce overall gas consumption in Massachusetts by 814 million gallons per year, saving consumers \$2.8 billion in reduced gas expenses.

¹ EPA officials removed the original study from their website following political disagreements over its findings.

² Union of Concerned Scientists (August 2016). www.ucsusa.org/MAFuelEconomy

³ Union of Concerned Scientists (August 2017) www.ucsusa.org/state-mpg-benefits



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• As a result, the standards create more than 15,000 jobs in the state and increase its gross state product (GSP) by more than \$2 billion by 2030.

Reducing Transportation Emissions—The standard has also acted as a powerful policy instrument for achieving Massachusetts' emissions goals and ensuring that the state continues to make progress toward a clean and sustainable future. In the face of low gas prices and the resulting increased driving distances, these vehicle standards are a key part of the state's strategy to curtail transportation emissions.⁴

- The standards have already reduced annual transportation-related emissions in Massachusetts by 850,000 metric tons.
- By 2030, the standards would have lowered the state's global warming emissions by 8.7 million metric tons per year -- the equivalent of shutting down two coal-fired power plants.

What Massachusetts Can Do

Massachusetts lawmakers should respond with proactive policies focused on reducing state transportation emissions, while capturing the economic and job benefits of doing so.

Once fully repealed, any attempt to reinstate the clean car standards through the courts will probably be unsuccessful due to the commerce clause of the US Constitution. Waiting for legal challenges to resolve will cost the Massachusetts economy millions and will lead to an hundreds of thousands of tons of additional carbon pollution.

Policy makers and legislators should counteract this by substituting the loss of clean car standards with state-level policies that reduce transportation emissions. A viable option would be a carbon price on transportation fuels. Similar to the clean car standards, a price on carbon would help consumers use less fuel, adding millions of dollars back into the state economy and creating thousands of local jobs.

⁴ Union of Concerned Scientists (August 2016). www.ucsusa.org/MAFuelEconomy