



Consumer Federation of America

1620 I Street, N.W., Suite 200 * Washington, DC 20006

**AMERICAN FEDERALISM AT ITS BEST:
WHY THE ENVIRONMENTAL PROTECTION AGENCY SHOULD GRANT A CLEAN AIR ACT WAIVER TO
CALIFORNIA FOR ITS ADVANCED CLEAN CARS PROGRAM**

**Statement of Dr. Mark N. Cooper
Director of Research, Consumer Federation of America (CFA)**

to the

**Environmental Protection Agency, Pubic Hearing,
September 19, 2012**

The Consumer Federation of America strongly supports California's Advanced Clean Cars Program and urges the Environmental Protection Agency to grant California's waiver request as submitted.

The Clean Air Act allows California to exercise independent authority to adopt more stringent emissions standards because of the state's unique air pollution. Other states have followed California's lead in the past and will do so in the future. California's Clean Cars Program has helped to set us on a path that will improve the performance of light duty vehicles (cars and trucks) by a greater amount in a shorter time period than ever accomplished in U.S. history. CFA believes that the direction set by California and the states that follow its lead is a wonderful example of American federalism at its best.

The California Clean Cars Program enjoys widespread support from consumers, automakers and suppliers, business groups, national defense experts, public health advocates and environmentalists.

CFA and many of its members, like Consumers Union (CU) and Consumer Action, support the Advanced Clean Cars program because consumers agree that California and other states should be able to lead. Given the critical role that the "Clean Cars" program played in moving the standard to a more consumer-friendly level in the past decade, our 2011 national survey asked respondents whether they think that state governments should be allowed to continue setting tailpipe emission standards.¹ To examine the responses across state different types of state we doubled

¹ http://www.consumerfed.org/pdfs/CFA_Increasing_Fuel_Economy_Report_revised_5-31-11.pdf. These findings were supported by a recent survey by Consumers Union, which found that subject found that California consumers want clean cars and agree that the state should lead: Eighty-one percent of respondents in California agreed that the state should require all automakers to reduce significantly the emissions of greenhouse gases from new cars, light-duty trucks and SUVs. Three quarters of California consumers – 75 percent – think California should require automakers to build fleets that include increasing numbers of zero emission vehicles, including electric and hydrogen fuel cell cars. Seventy-seven percent of Californians polled said there should be state requirements for oil companies to make cleaner fuels like hydrogen and electricity available for public consumption when there are enough cars in the area that use those fuels.

the sample size and identified four categories of states. California, the other Clean Cars states, automotive states (Ohio, Michigan, Indiana) and the other states. The continued involvement of the states is supported by about two-thirds of the respondents, with the strongest support coming from the automotive states.

The very concrete and significant benefits associated with reducing emissions from vehicles are obvious, as are the corresponding improvements to fuel economy that come when emissions are reduced. Our analysis of the national standard, which mirrors California's greenhouse gas emissions standard through the year 2025, yields the following estimates of the economic benefits:²

- consumer pocketbook savings of thousands of dollars per vehicle,
- reduced oil imports of billions of barrels of oil,
- increased gross domestic product of \$150 billion, and
- over 100,000 additional auto sector jobs.

The action of the "Clean Car" states also played an important role. We emphasize the plural, "states," for a simple reason. While it is true that the statutory language gave California the lead in developing a state-based alternative to federal standards, we believe that the adoption of the California standard by 13 states plus the District of Columbia was instrumental and irreplaceable in the process during the 2009 waiver process.³

- Combined the "Clean Car" states represented the fifth or sixth largest auto market in the world.⁴
- The collective wisdom of so many states gave the California standard a great deal of credibility; the size of the market gave it economic clout.

Rather than continue the war on the "Clean Car" states that the EPA had declared at the end of the Bush administration,⁵ the Obama administration issued an executive order that told the federal authorities to cooperate with the states.⁶

- That cooperation produced an immediate acceleration of emissions standards that will save consumers over \$35 billion in the 2012-2015 period alone, and
- It has now created the first long-term plan for fuel economy and clean air standards in the history of the nation that will yield the massive benefits identified above.

One of the great benefits of American federalism is to allow the individual states to act as laboratories to discover better ways of accomplishing shared goals. The more eyeballs looking at a

² Comments of Consumer Groups: Consumer Federation of America, et al., Proposed Rule 2017 and Later Model Year Light-Duty Vehicle Greenhouse Gas Emissions and Corporate Average Fuel Economy Standards, Docket Nos. EPA-HQ-OAR-2010-0799; FRL-9495-2, NHTSA-2010-0131, 2/13/12.

³ <http://www.calcleancars.org/docs/CleanCarsMilestones.pdf>

⁴ The Clean Cars states (Arizona, Connecticut, Washington D.C., Florida, Maine, Maryland, Massachusetts, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont, and Washington) account for 40% of U.S. registered vehicles (Bureau of the Census, *Statistical Abstract of United States*; http://www.census.gov/compendia/statab/2006/transportation/motor_vehicle_registrations/) making the market larger than all markets except the rest of the U.S. the European Union and Japan,

⁵ <http://www.gpo.gov/fdsys/pkg/FR-2009-02-12/html/E9-2913.htm>

⁶ <http://www.epa.gov/oms/climate/regulations/420f10014.htm>

problem, the more likely it is that a good solution will be found. By allowing the largest economy in the nation to develop a set of standards independently of the federal standards and allowing the states to adopt either the Federal or the California standard, the Clean Air Act prevents fragmentation into fifty standards, but preserves the dynamic of state-based innovation.

The proposed standards for which California has requested an EPA waiver, already supported by several states, continue to play exactly that role. In the early 2000s, when the California standard pointed the auto market toward hybrid technologies, the automakers said it could not be done. Today, there are over 150 hybrid and electric models in auto showrooms. The current proposed standard continues to nudge the market in that direction, while the technologies used to meet the California standards help automakers meet the national standard.

We applaud California's leadership and the benefits it has provided the nation in improving air quality and increasing fuel economy and urge the EPA to grant the waiver.