

Don't Strangle a Patient on Life Support

By KATHLEEN HARTNETT WHITE Copyright 2009
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After providing billions of dollars in taxpayer money to save U.S. automakers from bankruptcy, new federal powers have not wasted time before complicating the U.S. auto industry's return to profitability.

Among his first moves, President Barack Obama directed the U.S. Environmental Protection Agency (EPA) to reconsider California's request to establish state-only greenhouse gas (ghg) standards for car and truck emissions. This translates to yet more new engine standards for Detroit. The Bush Administration denied requests from California and 13 other states because federal law makes mobile sources (e.g., tailpipe emission standards) an exclusively federal authority unless an exceptional waiver is granted. A patchwork of different state engine standards is a nightmare for U.S. automakers and interstate commerce.

Tailpipe ghg emission standards are, in effect, fuel efficiency standards. Existing federal law, indeed, requires a stricter Corporate Average Fuel Economy Standard (CAFE) of 35 miles per gallon (mpg) by 2020. Automakers comply with such CAFE standards by calculating an average mileage among different models in their fleet. California's standards go farther and faster than

the federal standards: 35 mpg by 2016, with mileage as high as 43 mpg for cars and 27 mpg for sport utility vehicles and heavier trucks.

The fuel economy standards imposed by the National Highway Traffic and Safety Administration (NHTSA) and low-emission vehicle (LEV) standards imposed by EPA are intertwined, complex and misleading. EPA's existing LEV standards restrict emissions of conventional pollutants like carbon monoxide and nitrogen oxides (NOx). The standards address engine design in the most elaborate system of tiers, bins and multiple categories like Inherently Low, Ultra-low, Super Ultra-low and Partial Low Emission Vehicles. Complicated indeed!

Enacted in 2006, California's global warming law included tailpipe standards to reduce CO₂. A most ubiquitous byproduct of nature and human activity, CO₂ is wholly unlike the pollutants regulated under EPA's LEV standards. Tailpipe emissions of NOx, for example, can be reduced by developing engines that burn gasoline more efficiently. CO₂ and water vapor, on the other hand, are the ultimate by-products of burning gasoline and thus proportionate to the amount of fuel used. The only way to reduce CO₂ from a vehicle's exhaust is to increase fuel efficiency.

The cleaner-burning engines flowing from EPA LEV standards are coming on line now in new cars and trucks. They have improved and will continue to improve air quality in Texas cities through 2012.

Unrealistic deadlines and standards, however, will not only challenge the bottom line in Detroit

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but will hurt all consumers. If the standards become too strict, too fast, government will effectively dictate vehicle design, size and type.

Consumers will pay higher prices and have fewer choices.

Boutique LEV standards and accelerated new CAFE standards may sap the last breath from frail U.S. automakers. As syndicated columnist Charles Krauthammer noted, imposing new green auto standards on U.S. automakers, at this point in time, is like the government strangling a patient to whom it administers oxygen.

Texans should pay attention. Bills filed in the Texas Legislature include SB 119, The Texas Low-Emission Vehicle Act, requiring a Texas program consistent with California's LEV program. Since 2007, when the Golden State's new CO2 mandates took shape, California has led the nation in job loss — its most recent unemployment rate was 9.3 percent. The prosperous "green" economy and new green jobs promised by the advocates of California's climate change law have not emerged, but the exorbitant cost of low-carbon California has. Instead of a "net positive effect on California economic growth through 2020," as concluded in a study by the California Air Resources Board, Californians are reeling from the impact of \$23 billion in new taxes, fees and higher power costs required by their state's low-carbon law.

To date, Texas has avoided the economic woes of California by avoiding high taxes, excessive regulation and overspending.

Texans would be wise to question the California example of state-only tailpipe standards and state carbon mandates.

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