

EPA withdraws Obama-era Final Determination of greenhouse gas emission standards Mid-term Evaluation

April 4, 2018

U.S. Environmental Protection Agency (EPA) Administrator, Scott Pruitt, announced Monday that the agency is withdrawing the Obama-era Final Determination of the Mid-term Evaluation (MTE) of greenhouse gas (GHG) emission standards for MY 2022-2025 light-duty vehicles because it was based on outdated information. Administrator Pruitt stated that the Obama administration "made assumptions about the standards that didn't comport with reality, and set the standards too high." Consequently, EPA is reversing the previous administration's MTE Final Determination and will consider the appropriate standards in a future rulemaking.

EPA's and NHTSA's 2012 rulemaking pertaining to GHG emissions and corporate average fuel economy (CAFE) standards for MY 2017-2025 light-duty vehicles required EPA to conduct a MTE of the MY 2022-2025 GHG standards. On January 12, 2017, under the Obama administration, EPA issued the MTE Final Determination, which recommended no change to the MY 2022-2025 GHG standards originally proposed in the 2012 rulemaking. Two months later, on March 22, 2017, the Trump administration EPA announced it would reconsider the MTE Final Determination and seek public comment.

In Monday's notice, EPA reasoned, "Many of the key assumptions EPA relied upon in its January 2017 Determination, including gas prices and the consumer acceptance of advanced technology vehicles, were optimistic or have significantly changed." According to Administrator Pruitt, the current MY 2022-2025 standards are too stringent and present challenges for automotive manufacturers "due to feasibility and practicability." In the accompanying press release, Administrator Pruitt also signaled a potential clash with California on the state's GHG standards, stating, "Cooperative federalism doesn't mean that one state can dictate standards for the rest of the country." The press release indicates that "[t]he California waiver is still being reexamined by EPA under Administrator Pruitt's leadership." EPA and NHTSA will issue a notice and comment rulemaking to consider "appropriate standards" for MY 2022-2025 light-duty vehicles.

Contacts



Joanne Rotondi
Partner, Washington, D.C.
T+1 202 637 6470
joanne.rotondi@hoganlovells.com



R. Latane Montague
Partner, Washington, D.C.
T+1 202 637 6567
latane.montague@hoganlovells.com



Hannah M. Graae Senior Associate, Washington, D.C. T+1 202 637 3664 hannah.graae@hoganlovells.com

Allison R. Johnson
Law Clerk, Washington, D.C.
T +1 202 637 5895
allison.johnson@hoganlovells.com

www.hoganlovells.com