

Support Motor Vehicle Emissions Study (H 2526/S 1871)

When it comes to global warming, there's a lot at stake for North Carolina

- The state's over 3,000 miles of tidally-influenced coastline make it the third-most vulnerable state to sea level rise. Longer dry periods are predicted, punctuated by heavier rains.
- Transportation is the second largest source of global warming pollution in North Carolina. Passenger vehicles—cars, pickups and SUV's—alone contribute to nearly a quarter of the state's global warming pollution.

Clean Cars can save money & slash pollution

- The nation's Clean Air Act gives states two options for control of automobile emissions: states may comply with federal standards, or adopt more protective standards—known as the Clean Cars Program.
- Unlike the federal standards, the Clean Cars Program will require new cars, trucks and SUV's to emit roughly 30 percent less global warming pollution than today's cars.
- Environment North Carolina research shows that the Clean Cars Program could cut global warming pollution by more than 3 million tons annually in North Carolina, and save consumers \$20/month—even while they are still paying off the cost of the more expensive vehicle. Cost savings assume a premium of just over \$1000 for the average vehicle, and gas prices at only \$3.00/gallon.

Motor Vehicle Emissions Study

- Fourteen states, making up well over a third of the nation's population, have adopted global warming-pollution standards for new cars, trucks, and SUV's.¹
- Last December, the U.S. EPA denied a “waiver” to California to enforce the program, effectively blocking the program in all 14 states temporarily.
- The Motor Vehicle Emissions Study bill (H 2526/ S1871) directs the Division of Air Quality to examine the costs and benefits to North Carolina if it adopted the Clean Cars Program, with the results ready for the 2009 legislature to examine.
- The study would allow an advisory committee, giving both proponents and opponents of the program an opportunity to provide input.
- The study does not create a separate commission. It directs the existing Environmental Review Commission and the Division of Air Quality to monitor the study.
- With gas prices now topping \$4.00/gallon, proponents of the Clean Cars Program hope an updated study will demonstrate significant savings for consumers along with pollution reductions.

¹ Maryland, New Jersey, Pennsylvania, New York, Massachusetts, Connecticut, Rhode Island, Vermont, Maine, Arizona, New Mexico, Oregon, Washington and California have adopted the Clean Cars Program, including the vehicle global warming emission standards, and several others—including Florida, Utah, and Colorado—have gubernatorial commitments in place to adopt the standards.

Claims and Responses

CLAIM: The Clean Cars program won't allow powerful pick-up trucks, which are particularly important for the agricultural community.

RESPONSE: The program does not prevent the sale of high-power trucks. In fact, the [Toyota Tundra](#) is an example of a truck that already complies with the program. The program would only affect new cars sold, and purchasers of new light-duty trucks would likely benefit the most, since they would save money in gasoline. 4% of the heaviest light-duty trucks are exempt from the program. Finally, only passenger vehicles will be affected; medium and heavy-duty, and off-road vehicles will not.

CLAIM: This bill creates a Commission that will have a bias for Clean Cars.

RESPONSE: The study would be conducted by the existing Environmental Review Commission and the Division of Air Quality. Similar to the La Capra Study that helped formed the fact basis for last year's renewable-energy law, the study allows an advisory committee, made up of all interested parties, including proponents and opponents.

CLAIM: The Clean Cars Program will increase costs of cars.

RESPONSE: The program is estimated to increase costs of cars, but consumers will more than make up for the increased cost immediately, saving \$20 each month even while they are paying off the car. The purpose of the study required by H2526/S 1871 is for the Division of Air Quality and the Environmental Review Commission, with the input of many stakeholders, to produce its own estimate of potential costs to North Carolina consumers if the state adopts the program, along with potential savings.

Opponents sometimes claim the additional cost is as much as \$3,000. This price differential is based on one study paid for by the automobile industry in which expensive technologies such as weight reduction using expensive aluminum, like that used on the \$70,000 Audi A8, is assumed to be necessary to meet the standards. Lower cost technologies were ignored. Including low-cost technologies, most estimate the increased cost of the car will be, on average \$1,000.

CLAIM: What we need is a national standard rather than a patchwork of state standards.

RESPONSE: First, we do have national standards, but they are not adequate. Just last year, the federal government updated the vehicle miles per gallon standard. Preliminary studies show that even with these new standards, pollution from cars, trucks, and SUV's will increase another 12 percent by 2020.

Second, there is not a patchwork of state standards. There are only two standards—the federal government standard or the Clean Cars program. States have the opportunity to enact standards which will reduce pollution and save North Carolina consumers at the gas pump. We hope that next year the General Assembly will choose to seize that opportunity.

CLAIM: It is illegal to regulate fuel efficiency at the state level, which is essentially what this bill sets North Carolina up to do.

RESPONSE: Two court cases have resulted in a ruling on this issue. First On April 2, 2007 the U.S. Supreme Court ruled 5-4 in a strongly-worded opinion that carbon dioxide is a pollutant and

that states can regulate its emissions.² The primary way to reduce carbon dioxide from automobiles is to ensure that those vehicles are more efficient. Second, on September 12, 2007, a federal district court found that adoption of global warming pollution standards by California, and subsequent adoption of those standards by other states, is not preempted by federal law giving the Department of Transportation authority to regulate fuel economy.³

CLAIM: North Carolina will cede authority to California if it adopts the Clean Cars Program.

RESPONSE: First, if North Carolina chooses to join the 14 states that have adopted the program, it can opt out at any time. Second, under the nation's Clean Air Act, North Carolina has two choices of standards—either the federal government standard or the Clean Cars standard. North Carolina does not have the authority to establish and enforce its own set of tailpipe emissions standards in any case.

CLAIM: This bill is intended to set North Carolina up to enact Clean Car standards.

RESPONSE: When the Environmental Review Commission studied a similar issue—automobile tailpipe standards for smog and air toxics—legislative proponents of the program concluded that the benefits were not compelling enough to justify additional costs. Furthermore, the implementation of this study or its results will not preclude debate about whether North Carolina should take this step; rather it will allow an informed, fact-based debate by the General Assembly.

CLAIM: The Clean Cars Program will require North Carolinians to buy hybrids.

RESPONSE: Hybrids are by no means the only cars that will comply with the Clean Cars Program. The Clean Cars Program ensures all the same car and SUV models that North Carolinians are accustomed to—many of those models will just come in more efficient form. That said, hybrids, which are increasingly popular with gas prices on the rise,⁴ will be more available under the Clean Cars Program than they are today.

² The court states on page 29-30: “Because greenhouse gases fit well within the Clean Air Act’s capacious definition of “air pollutant,” we hold that EPA has the statutory authority to regulate the emission of such gases from new motor vehicles.” *Massachusetts v. EPA*, 127 S. Ct. at 1459-60.

³ *Green Mountain Chrysler-Plymouth-Dodge et al vs. Crombie*, No. 2:05-cv-302, at 129 (September 12, 2007): “Nothing in EPCA or its legislative history indicates that Congress intended to displace emission regulation by California that would have an effect on fuel economy; on the contrary, the legislative history is quite clear that Congress expected NHTSA to take such regulations into consideration. EPCA’s preemption section may have been intended to achieve uniformity of fuel economy standards, *see, e.g., Geier v. Am. Honda Motor Co.*, 529 U.S. 861, 871 (2000) (preemption provision in National Traffic & Motor Vehicle Safety Act reflected desire to set uniform federal safety standards), but the arena of emissions standards is characterized by support for a California as well as a federal standard.”

⁴ J.D. Power and Associates, “Undeterred by Price Premiums, Consumers Show High Interest in Hybrid-Electric Automotive Powertrain Technology,” downloaded from <http://www.jdpower.com/corporate/news/releases/pressrelease.aspx?ID=2008076> on June 20, 2008.