THE TRUMP ADMINISTRATION’S CLEAN AIR ACT REVISION PROPOSAL: THE IMPACT ON CALIFORNIA AND BEYOND

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I. INTRODUCTION

After World War II, America saw an increase in population size, urbanization, and economic growth. As a consequence, more people began to rely on personal vehicles for transportation and thus the number of cars on the road increased. Naturally, air pollution also increased dramatically.1 In 1943, Los Angeles, California had the dubious distinction of having the first recognized smog epidemic.2 The smog caused residents to experience three block visibility coupled with human symptoms of “smarting eyes, burning lungs and nausea.”3 While California initially believed this smog episode was a product of butadiene plants or oil refineries, by the 1950s, researchers recognized that automobile emissions were the culprit.4 Motivated by Los Angeles’ severe smog problem, California pioneered the way to clean air legislation and began to set standards for car emissions.5

The federal government followed suit in the 1960s with the passage of the original Clean Air Act (“CAA”). The CAA authorized the Environmental Protection Agency (“EPA”) to set national standards for the release of harmful particles.6 However, because California already had air pollution legislation in place, the EPA granted California the ability to request a waiver to set

3 Id.
4 Id.
5 Id.
its own, more stringent, automobile standards. Although the George W. Bush Administration attempted to deny one waiver California requested in 2005, the conflict was ultimately resolved and the waiver was granted. The EPA granted all other waiver requests made by California. Now, President Trump’s Administration has proposed to withdraw a waiver California already possesses. Following the passage of such a proposal, a lengthy legal battle will likely ensue. The outcome could have vast implications on future environmental legislation for California, the nation, and the world.

II. BACKGROUND ON THE CLEAN AIR ACT AND CALIFORNIA’S WAIVER PROCESS

Congress originally passed the CAA in 1963, but major amendments were added in 1970 and 1990 to set further air pollution control policies. The CAA regulates six criteria air pollutants: Carbon Monoxide, Ground-level Ozone, Lead, Nitrogen Oxides, Particulate Matter, and Sulfur Dioxide. The 1970 CAA amendments increased the federal government’s role in air pollution control by initiating four programs to address and control stationary sources of air pollution: the National Ambient Air Quality Standards (“NAAQS”), State Implementation Plans (“SIPs”), New Source Performance Standards (“NSPS”), and National Emission Standards for Hazardous Air Pollutants (“NESHAPs”). Twenty years later, the 1990 amendments expanded

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9 Id.
11 Sivas, supra note 8.
upon the previous versions of the CAA by addressing acid rain and stratospheric ozone protection.\textsuperscript{15} The latter amendments also revised programs initiated in the 1970 CAA and expanded federal authority in air pollution control.\textsuperscript{16} Additionally, Congress implemented the 1970 CAA amendments almost simultaneously with the creation of the EPA.\textsuperscript{17} The EPA then became the standard setter and enforcement agent of the CAA.\textsuperscript{18}

While the CAA was a progressive environmental step for the United States as a whole, the CAA was just catching up to California’s established environmental regulations. For decades, California had studied the correlation between automobiles and air pollution.\textsuperscript{19} California created a Bureau of Air Sanitation within the Department of Public Health to establish limits on motor vehicle emissions in order to address the state’s air pollution problems.\textsuperscript{20} Soon after, California set the nation’s first tailpipe emissions standards.\textsuperscript{21} Because California had already set its own standards before the CAA, the CAA provided an exemption process for the state by which California can apply for waivers to set automobile standards more stringent than the national standards.\textsuperscript{22} California is the only state that can apply for a waiver from the EPA to enact more stringent standards; however, other states are permitted to adopt California’s standards.\textsuperscript{23}

\textsuperscript{16} Id.
\textsuperscript{17} EPA History, ENVT. PROT. AGENCY, https://www.epa.gov/history (last visited Dec. 28, 2018).
\textsuperscript{20} History, supra note 2.
\textsuperscript{21} Id.
\textsuperscript{22} 42 U.S.C. § 7543(b) (2017).
In order to receive a waiver, California must file an authorization request with the EPA.\textsuperscript{24} The EPA then puts the request in the Federal Register to open it to public hearings and written comment. Afterwards, the EPA reviews the comments and the Administrator ultimately evaluates California’s request.\textsuperscript{25} The language of the CAA is favorable to California. It provides that the EPA should grant the waiver unless (1) the new standard is arbitrary, (2) California does not demonstrate a need for the waiver, or (3) the new standard is in violation of Section 202(a) of the CAA.\textsuperscript{26}

\section*{III. WAIVER HISTORY}

While the CAA provided for California’s ability to request and receive waivers, the CAA also provided for the denial of waiver requests. The EPA Administrator should grant the waiver request unless the Administrator can find one of the three provided reasons to deny the waiver.\textsuperscript{27} Even with the potential for denial, for about thirty years after the 1970 CAA, California enjoyed continuous waiver approval.\textsuperscript{28} The EPA accepted all of California’s waiver requests to combat traditional air pollutants like nitrogen oxides and carbon monoxide.\textsuperscript{29} Then, in 2005, when California turned to a lesser-understood pollutant, carbon dioxide, the Bush Administration attempted the first waiver rejection.\textsuperscript{30}

\begin{flushleft}
\textsuperscript{25} Id.
\textsuperscript{26} 42 U.S.C. § 7543(b) (2017).
\textsuperscript{27} Id.
\textsuperscript{28} Sivas, \textit{supra} note 8.
\textsuperscript{29} Id.
\textsuperscript{30} Id.
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A. Attempted Waiver Rejection

The more traditional air pollutants, such as nitrogen oxide and carbon monoxide, addressed by the CAA were fairly simple to combat. A piece of equipment called a catalytic converter, inserted into the tailpipe of cars was an effective tool for reducing nitrogen oxide and carbon monoxide. On the other hand, the main way to combat carbon dioxide emissions is to increase the fuel efficiency of the car itself. Therefore, when California sought a waiver to set stricter fuel economy standards, and address carbon dioxide, the Bush Administration denied it. The Administration argued that California did not demonstrate a need to set this different standard. They reasoned that greenhouse gas emissions (“GHG”) like carbon dioxide were different from the previous air pollutants the CAA sought to protect against. Litigation between California and the EPA quickly ensued.

Ultimately, California received its 2005 waiver in a resolution advanced by a few key events. First, in Massachusetts v. EPA, the U.S. Supreme Court ruled the CAA did cover GHG. Second, the recession hit, which devastated the automobile industry, requiring federal bailouts. Third, President Obama was elected and struck a deal with California in which the Administration would grant California the waiver and let the state set standards to combat carbon dioxide emissions and fuel standards.
As part of the deal with the Obama Administration, California agreed to not raise its emission standards. This allowed the federal government to raise the national standards slowly between 2012-2016. The federal government would then increase national standards more rapidly to reach a 54.5 miles per gallon goal by 2025. California, satisfied by the promise of a high standard future, agreed to not raise the standards, giving the automobile industry time to reach a uniform standard set by the federal government and implement the technology required to meet that national standard. Thus, the waiver was approved.

IV. THE TRUMP ADMINISTRATION’S PROPOSAL AND RESPONSE

The Bush Administration’s attempt to reject a waiver sought by California was the first of its kind, until President Trump’s election and the subsequent appointment of Scott Pruitt as the EPA Administrator. Though Administrator Pruitt has since resigned, he and his successor, Administrator Andrew Wheeler, both take issue with California’s CAA waiver ability. While the 2005 waiver was disputed before it was granted, the current EPA has proposed to withdraw a waiver already granted to California in 2013 by the Obama Administration.

In 2013, California sought and received a waiver for its “Advanced Clean Car (“ACC”) regulations.” Among other things, this 2013 waiver allowed California to establish new GHG emission standards in 2015 and 2017 model year cars to address smog and soot causing

40 Id.
41 Id.
42 Id.
44 SAFE Rule, supra note 10.
45 California State Motor Vehicle Pollution Control Standards; Notice of Decision Granting a Waiver of Clean Air Act Preemption for California’s Advanced Clean Car Program and a Within the Scope Confirmation for California’s Zero Emission Vehicle Amendments for 2017 and Earlier Model Years, 6 Fed. Reg. 2112 (Jan. 9, 2013).
pollutants.\textsuperscript{46} The ACC regulations further encouraged the sale of advanced technologies, and updated California’s zero emission vehicle (“ZEV”), GHG, and Low Emission Vehicle (“LEV”) programs.\textsuperscript{47}

\textbf{A. President Trump’s Proposal}

In August 2018, the EPA and National Highway Traffic Safety Administration (“NHTSA”) under the Trump Administration released the proposal for GHG emissions and fuel economy with the “Safe Affordable Fuel-Efficient Vehicle Rule for Model Years 2021-2026 Passenger Cars and Light Trucks” (“SAFE Vehicle Rule”).\textsuperscript{48} Ultimately, the 515-page proposal, which closed for comments on October 23, 2018, seeks to maintain CAFE and carbon dioxide standards for automobiles from 2021 to 2026.\textsuperscript{49} In other words, there would be no potential to increase fuel efficiency requirements in automobiles until at least 2026.\textsuperscript{50} The Trump Administration wants to further roll back regulations passed during the Obama Administration and ultimately reduce fuel efficiency from the 2025 target of 54.5 miles-per-gallon to about 37 miles-per-gallon.\textsuperscript{51} The proposal goes further and explicitly addresses California’s 2013 waiver.\textsuperscript{52} The EPA proposes to withdraw California’s waiver, regarding the waiver as an

\textsuperscript{46} Id.

\textsuperscript{47} Id.

\textsuperscript{48} SAFE Rule, \textit{supra} note 10.


\textsuperscript{50} Id.


\textsuperscript{52} SAFE Rule, \textit{supra} note 10.
“unnecessary complication.” The EPA ultimately seeks to establish one national standard set by the federal government.

As published in the federal register, “[The] EPA is proposing to withdraw the waiver granted to California in 2013 for the GHG and ZEV requirements of its Advanced Clean Cars program,” and create one, uniform national standard. President Trump’s EPA argued that the purpose of the waiver provision in the CAA was to address smog-related air quality issues and California’s attempt to address climate change by regulating GHG emissions is beyond the scope of the CAA’s waiver purpose. Similar to President Bush’s reasoning in 2005, The EPA does not believe the waiver process granted by the CAA extends to California’s fight against climate change. Furthermore, the agency states that reducing carbon dioxide emissions from automobiles requires a complete restructuring of the car, which is not as simple as a tailpipe instrument.

The EPA’s legal justification for waiver revocation relies on the Energy Policy and Conservation Act (“EPCA”). The CAA grants the EPA the authority to set nationwide emission standards and the EPCA authorizes the NHTSA to create CAFE standards. While the CAA provides for California’s waiver application process, the EPCA does not provide an exemption waiver process for any state, including California. Further, a waiver granted under the CAA

53 Id.
54 Id.
55 Id.
56 Id.
57 Id.
58 Id.
59 Id.
does not also waive EPCA preemption.\textsuperscript{61} Because the EPCA preempts state laws “related to fuel economy standards or average fuel economy standards for automobiles covered by an average fuel economy standard,”\textsuperscript{62} the EPA argues that California’s established standards related to fuel economy violate the EPCA and are thus void.\textsuperscript{63} Here, the waiver in question relates to fuel economy and the EPA argues that it should not be granted due to conflict with the EPCA.\textsuperscript{64}

\textbf{B. California’s Reaction}

This proposal to withdraw California’s 2013 waiver is very recent; the comment period closed in late October 2018. Therefore, there has not been much opportunity for California to react to the proposal. Even after the comment period closes, the comment period can be extended or re-opened if the agency deems it appropriate.\textsuperscript{65} Then, the agency reviews the comments before making a final decision on the proposal. Regardless of the uncertainty around the proposal, “California’s Attorney General, Xavier Becerra, promised to use ‘every legal tool at [California’s] disposal’ if the Trump administration revoke[d] the state’s authority to regulate automobile greenhouse gas emissions.”\textsuperscript{66} California has also filed a lawsuit against the EPA in the U.S. Court of Appeals for the District of Columbia to combat this proposal.\textsuperscript{67} Nineteen other

\begin{itemize}
\item\textsuperscript{61} SAFE Rule, \textit{supra} note 10.
\item\textsuperscript{62} 49 U.S.C. 32919(a).
\item\textsuperscript{63} SAFE Rule, \textit{supra} note 10.
\item\textsuperscript{64} Id.
\item\textsuperscript{67} Tom DiChristopher, \textit{EPA Sued by California-led Coalition over Plans to Weaken Vehicle Emissions Standards}, CNBC (May 1, 2018), https://www.cnbc.com/2018/05/01/epa-sued-by-california-led-coalition-over-vehicle-emissions-standards.html.
\end{itemize}
state attorneys general joined California to fight the Trump Administration’s proposal, promising lawsuits if the proposal is adopted.68

C. Likelihood of Success

California had great success with waiver acceptance throughout the CAA’s history and the courts have traditionally upheld California’s waivers. In fact, the EPA’s argument that the EPCA preempts California’s waiver granted by the CAA has already been addressed by two federal district courts as well as the U.S. Supreme Court.69 In Massachusetts v. EPA, The Supreme Court held that the CAA did regulate GHG.70 In Green Mountain Chrysler Plymouth Dodge Jeep v. Crombie,71 Vermont set GHG automobile emission standards based on California’s standards.72 The plaintiff automobile manufacturer sought to avoid these standards by arguing the EPCA regulated GHG standards.73 The Vermont District Court held there was not enough evidence to show that the EPCA granted the federal government exclusive power to regulate carbon dioxide emissions from motor vehicles.74 Finally, in Central Valley Chrysler-Jeep, Inc. v. Goldstene,75 car dealers again challenged California’s ability to set GHG emissions

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68 Clark, supra note 51.
70 Mass. v. EPA, 549 U.S. at 528.
72 Id. at 344.
73 Id. at 350.
74 Id. at 398.
standards. The U.S. District Court upheld the standards noting that the EPCA does not preclude California from setting GHG standards.76

Deborah Sivas, Professor of Environmental Law at Stanford, thinks that California has a strong case based on precedent and the structure of the CAA.77 However, she asserts that judicial results from a near inevitable lawsuit will depend on the arguments put forth by the EPA.78 She notes three potential arguments that the EPA may put forward: (1) California has no compelling need for stricter standards, (2) the industry simply cannot meet the existing standards, or (3) higher standards will negatively affect consumers.79 Ultimately, Professor Sivas does not have a clear prediction of the potential outcome without first knowing what argument the EPA will put forward, but can confidently predict that there will be a long road of litigation if the proposal is passed.80

V. BROADER IMPLICATIONS

California has a lot to lose if its waiver is revoked; the implications reach beyond the state’s role in the CAA. California has tried to cut vehicle emissions in the state through mechanisms other than the CAA by providing lanes on roads specifically for electric cars and offering rebates and other incentives.81 More importantly, California required that by 2025, 8% of all vehicle sales are ZEV.82 Not only does this requirement encourage automobile

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76 Id. at 1189.
77 Sivas, supra note 8.
78 Id.
79 Id.
80 Id.
82 Id.
manufacturers to innovate technology and prioritize clean cars, but the requirement also helps California to reach its goal of 5 million ZEV in the state by 2030.83

Professor Anne Carlson of the University of California, Los Angeles directly relates California’s goals of cutting vehicle emissions, promoting electric cars, and regulating vehicle sales with California’s ability to request and receive waivers from the EPA.84 When California sets these goals for ZEV, they are mandating what can and cannot be emitted by cars in the state, which is the ultimate function of a CAA waiver. While the Trump Administration or the current EPA has not yet attacked California’s other mandates, Professor Carlson noted that the Administration’s desire to have one national standard could prevent California from passing similar legislation related to vehicle emissions.85

This waiver revocation might not harm only California’s ability to promote higher vehicle emission standards, but also that of the nation as a whole. While California is the only state that has the ability to request and receive waivers, other states are allowed to follow California’s standards.86 At least thirteen other states, constituting about 74 million Americans, follow California’s stricter standards.87 If California’s ability to receive waivers and set its own standards is restricted or revoked, air pollution regulation could slow or become stagnant for at least the remainder of President Trump’s Administration. The coalition of attorneys general set to fight the waiver revocation and President Trump’s other proposed rollbacks released a statement and predicted that “If [the proposal is] adopted, the [EPA] and [NHTSA’s] rollbacks

83 Id.
84 Id.
85 Id.
86 Clark, supra note 51.
87 Id.
will cost American drivers hundreds of billions of dollars….Freezing or weakening these standards puts the health of our children, seniors, all communities at risk, and increase the rising costs of climate change for our states.”

88 The potential revocation of California’s waiver is not just a concern for California, but other states that are worried about the effects of climate change and an unhealthy environment.

On an even larger scale, President Trump’s proposal could have ramifications that extend to the rest of the world. The United Nations released a report in mid-October 2018 that detailed the necessary steps to prevent devastating effects of climate change by 2030. The study reported that unless the nations of the world take “unprecedented” action, 2030 will witness significant consequences of climate change. 89 Jim Skea of the International Panel on Climate Change stated that this report is a message to governments of what needs to be accomplished to prevent or mitigate the potentially devastating impacts of climate change. 90 Curbing emissions is essential to prevent the devastating consequences of climate change. This proposed withdrawal of California’s waiver moves in the opposite direction of United Nation’s recommendations. It also indicates that not only will America not advance federal progressive environmental legislation, but states themselves will be barred from doing so as well.

VI. CONCLUSION

California has a long history of air pollution regulation and has had a relatively large amount of autonomy from federal regulations because of the CAA waiver. While California’s

88 Id.
90 Id.
waivers have long gone relatively unchallenged, the past two decades have seen federal
governments that have not been as receptive to California’s ability to set its own, more stringent
automobile emission standards. Currently, California’s 2013 waiver is under attack by the Trump
Administration. The proposal to revoke California’s waiver is still in the early stages, but
California plans to fight the proposal to keep its waiver. California is joined by a number of other
states that also elect to follow California’s standards. The likelihood of the proposal’s passage
and implementation is unclear and it will likely be some time before the results of the proposal
are known. However, the proposal could have ramifications that reach beyond just California’s
2013 waiver to impact how the United States address climate change as a whole.