

## Climate and Environment

Major automakers strike climate deal with California, rebuffing Trump on proposed mileage freeze

Cars, trucks and SUVs to get nearly 50 miles per gallon on average by 2026



From left, California Secretary for Environmental Protection Matthew Rodriguez, Air Resources Board Chair Mary D. Nichols and Attorney General Xavier Becerra in Fresno in September. (Gary Kazanjian/AP)

By **Juliet Eilperin** and  
**Brady Dennis** July 25

Four automakers from three continents have struck [a deal](#) with California to produce fleets that are more fuel-efficient in coming years, undercutting one of the Trump administration's [most aggressive](#) climate policy rollbacks.

The compromise between the California Air Resources Board and Ford, Honda, Volkswagen and BMW of North America came after weeks of secret negotiations and could shape future U.S. vehicle production, even as White House officials aim to relax gas-mileage standards for the nation's cars, pickups and SUVs.

Mary D. Nichols, California's top air pollution regulator, said in an interview that she sees the agreement as a potential "olive branch" to the Trump administration and hopes it joins the deal, which she said gives automakers flexibility in meeting emissions goals without the "massive backsliding" contained in the White House proposal.

"What we have here is a statement of principles intended to reach out to the federal government to move them off the track that they seem to be on and onto a more constructive track," Nichols said,

adding that the companies approached California officials last month about a potential compromise.

In a joint statement, the four automakers said their decision to hash out a deal with California was driven by a need for predictability, as well as desires to reduce compliance costs, keep vehicles affordable for customers and be good environmental stewards.

“These terms will provide our companies much-needed regulatory certainty by allowing us to meet both federal and state requirements with a single national fleet, avoiding a patchwork of regulations while continuing to ensure meaningful greenhouse gas emissions reductions,” the group said.



The deal comes as the Trump administration is working to [finalize a huge regulatory rollback](#) that would freeze mileage requirements for cars and light trucks next fall at about 37 miles per gallon on average, rather than raising them over time to about 51 mpg for 2025 models — the level the industry and government agreed to during the Obama administration. The proposal also would revoke California’s long-standing authority to set its own rules under the Clean Air Act, a practice the federal government has backed for decades.

Any effort by the administration to strip California’s autonomy, however, is likely to end in a drawn-out legal battle. And the companies participating in the new pact have pledged to produce more-efficient vehicles no matter what the White House does.

Trump officials quickly rejected the new deal as a blueprint for federal mileage goals and said they would press ahead with their planned rollback. “The federal government, not a single state, should set this standard,” White House spokesman Judd Deere said in an email. The administration has argued that more-lenient standards would lower sticker prices and encourage Americans to buy newer, safer cars.

Environmental Protection Agency spokesman Michael Abboud said of the agreement, “This voluntary framework is a PR stunt that does nothing to further the one national standard that will provide certainty and relief for American consumers.”

Officials from the National Highway Traffic Safety Administration, which is co-writing federal tailpipe standards, noted in a statement that the administration's proposal does not prevent manufacturers from building more-efficient vehicles if they so choose.

Under the new accord, the four companies, which represent about 30 percent of the U.S. auto market, have agreed to produce fleets averaging nearly 50 mpg by model year 2026. That is one year later than the target set under the Obama administration, which said that requiring vehicles to be more fuel-efficient would improve public health, combat climate change and save consumers money at the gas pump without compromising safety.

[\*\[Intense European heat wave roasts millions as all-time records tumble\]\*](#)

The share of the U.S. auto market affected by the new terms could grow significantly if other automakers join the deal. Last month, Canada pledged to align its gas-mileage targets with California rather than the Trump administration.

As part of the new deal, California pledged to certify vehicles from the four automakers and provide the companies additional flexibility in meeting each year's emissions goal: They will improve their fleet's average efficiency by 3.7 percent a year, as opposed to 4.7 percent dictated under the Obama-era rules.

The transportation sector has emerged as the single-largest source of greenhouse-gas emissions in the United States, and the future gas mileage of the auto fleet will have a profound effect on the nation's carbon footprint. According to the State Energy and Environmental Impact Center at the New York University School of Law, the Trump administration's plan to freeze mileage standards between 2020 and 2026 would increase greenhouse-gas emissions by between 16 million and 37 million metric tons in that period. That is the equivalent of adding between 3.4 million and 7.8 million cars on the road.

Trump officials have consistently rejected the idea that the federal government should adopt policies aimed at weaning Americans off fossil fuels. NHTSA's own analysis of its proposed mileage freeze projected that the increased greenhouse-gas emissions from the move would not make a major difference, because [the world was on track to warm by seven degrees Fahrenheit](#) by the end of the century anyway.

By contrast, the Obama administration joined California officials and automakers a decade ago in charting an ambitious program to limit carbon emissions from cars and pickups to curb the pace of climate change. In recent years, car companies complained that it would be hard to reach the plan's future mileage goals because cheap gas has made Americans reluctant to switch to smaller or electric vehicles.

According to the Alliance of Automobile Manufacturers, [69 percent of last year's new-vehicle sales were light trucks](#) — meaning SUVs, vans and pickups — compared with 31 percent for cars. Light trucks accounted for more than half of new-vehicle sales in all 50 states in 2018, with the Ford F-series, Chevrolet Silverado and Ram pickups the top three sellers. Those three models alone accounted for 11.6 percent of sales last year, compared with hybrids' 1.9 percent share and fully electric vehicles' 1.2 percent.

But in Europe — where gas is twice as expensive — [more-efficient hatchbacks and super-minis](#) top the sales charts.

(Brady Dennis/n/a)

Sen. Thomas R. Carper (D-Del.), who had convened private meetings of industry, administration and California officials over the past year and a half, hailed the agreement Thursday. “We cannot begin to credibly address the climate crisis without taking meaningful steps to try to keep our country on a path that would reduce emissions from the transportation sector, which is our nation’s largest source of global-warming pollution,” he said in an email.

Within days of Donald Trump’s inauguration, the world’s largest automakers urged him to revisit the standards that President Barack Obama had finalized just before leaving office, which required the industry to increase the average fuel efficiency of the cars and light trucks.

But California insisted that it would forge ahead with stricter mileage requirements. Thirteen states and the District of Columbia have pledged to follow California’s lead, and several are [challenging the Trump administration’s move](#).

While Nichols said she floated a similar deal last year to the Trump administration, the White House broke off talks [in February](#).

This feud, which threatens to split the nation’s auto market in half, has created a level of uncertainty that has made many car manufacturers skittish. Last month, 17 U.S. and foreign companies [asked](#) the Trump administration and California Gov. Gavin Newsom (D) to “resurrect” talks to find a middle ground, but the White House rejected the overture.

[\[States aren't waiting for the Trump administration to adopt environmental protections\]](#)

The deal also could provide a hedge for car companies in case a Democrat wins the presidential election next year. California regulators committed to maintaining the tailpipe standards even if

control of the White House flips.

In addition, automakers will receive significant credits for adopting climate-friendly technologies, such as cooling cars more effectively through less polluting refrigerants and selling more electric vehicles.

It is unclear whether other car manufacturers will sign on to the deal. “We look forward to reviewing the details of this agreement, as well as the federal rule later this year,” Fiat Chrysler Automobiles said in statement. General Motors spokeswoman Jeannine Ginivan said her company was committed to finding a compromise “that includes the administration.”


California officials said two automakers also contacted state regulators on Thursday, and one asked for a copy of the agreement.

Newsom said in a statement that he was confident that other companies would sign on to the deal.


“There are few issues more pressing than climate change, a global threat that endangers our lives and livelihoods,” he said. “I now call on the rest of the auto industry to join us, and for the Trump administration to abandon its regressive proposal and do what is right for our economy, our people, and our planet.”

#### Comments



**Juliet Eilperin** Juliet Eilperin is The Washington Post's senior national affairs correspondent, covering the transformation of federal environmental policy. She's authored two books, "Demon Fish: Travels Through The Hidden World of Sharks" and "Fight Club Politics: How Partisanship is Poisoning the House of Representatives," and has worked for The Post since 1998. [Follow](#) 



**Brady Dennis** Brady Dennis is a national reporter for The Washington Post, focusing on the environment and public health issues. He previously spent years covering the nation's economy. Dennis was a finalist for the 2009 Pulitzer Prize for a series of explanatory stories about the global financial crisis. [Follow](#) 

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