

SAVE EPA ANN ARBOR and ENVIRONMENTAL PROTECTION NETWORK

Testimony by Jeff Alson, EPA Retiree Who Helped Develop the Car GHG Standards

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I am an engineer and retired in April after a 40-year career at the EPA National Vehicle and Fuel Emissions Laboratory. I received two EPA Gold Medals, as well as the Barry McNutt Award for Excellence in Automotive Policy Analysis from the Society of Automotive Engineers. I spent a decade working on the EPA car greenhouse gas (GHG) standards and have spent six weeks reviewing the technical analysis and proposal in great detail. I believe I am the only senior career expert, from either EPA or DOT/NHTSA, who worked on the regulations and is now willing to speak honestly about the current proposal. I can do this because I was there and am now retired.

The proposal to massively roll back the current EPA GHG standards for eight years is based on the most secretive regulatory process and the most biased and dishonest technical analysis I have ever seen during my 40-year career.

Shift from Obama Administration Transparency to Trump Administration Secrecy

The GHG standards were borne out of an unprecedented commitment to transparency and consensus. From 2009 through 2012, EPA and DOT held hundreds of meetings with automakers, suppliers, California and other states, labor, environmental and consumer groups. The standards were negotiated, with no stakeholder getting everything, but everyone getting something. Automaker CEOs (except VW and Daimler) and the UAW supported the standards, and not a single major lawsuit was filed. Compare this to the recent process—minimal stakeholder meetings, a secret DOT analysis, a radical eight-year roll back that most automakers do not support, and a technical analysis that is being widely ridiculed.

EPA's World Renown Technology Experts Were Completely Silenced by DOT and the White House

EPA has world-class automotive powertrain engineers, many with PhDs and industry experience, and has published dozens of Society of Automotive Engineers papers on fuel economy and emissions. EPA operates the world's leading vehicle pollution and fuel economy test laboratory, has performed 10,000 fuel economy tests, and has benchmarked the world's cleanest and most efficient vehicles. DOT does not have a fuel economy laboratory and has never performed one CAFE test. After working together for seven years, DOT refused to have a single technical working meeting with EPA staff after the 2016 election and completely locked EPA out. EPA experts could have helped DOT do a better analysis for the American people, but was not allowed to do so. I know this because I was there.

DOT Cherry Picked and Cooked the Books in the Most Spectacular Regulatory Flip-Flop in History

In multiple past analyses, including just two years ago, DOT said the standards would have net societal benefits of nearly \$100 billion. Now, it claims that the standards would have net societal costs of \$200 billion, a \$300 billion reversal! To try to justify this remarkable flip-flop, DOT changed its mind on scores of matters, all making the standards look worse. DOT is saying, "Do not believe anything we told you for the previous seven years, but believe everything we are telling you now." It does not pass the smell test.

The most embarrassing and spectacular bias is what I call The Fantastical Disappearing Miles. DOT assumes that Americans who own older vehicles, unaffected by new car standards or changes in sales, will voluntarily choose to “stay home” and drive almost a trillion miles less under the roll back than they would under the standards. I have worked on and reviewed dozens of EPA and DOT regulations, and no one has ever even suggested that owners of used cars would reduce their driving because of changes in new car standards. This spectacular modeling blunder alone accounts for about half of the make-believe “reduced fatalities” and over \$100 billion of fake benefits under the roll back. It is absurd on its face, has been universally condemned, and unilaterally undermines the credibility of the entire analysis.

A second outrageous example of cooking the books is DOT’s wildly exaggerated technology cost. In 2016, just two years ago, DOT projected a cost of \$1,250 to meet the MY 2025 standards. Now, it estimates \$1,850 to meet the CAFE standards, and \$2,260 to meet the GHG standards. A 50-80% increase! The only way that DOT can fabricate such a high cost is to assume that automakers will make a series of irrational and inefficient choices and waste money, which is not how the industry works. DOT’s indefensible technology cost assumptions also add over \$100 billion of fake benefits to the roll back.

The biases are endless. DOT assumes very low gasoline prices of \$2.28 today and not reaching \$3 for ten years. DOT assumes lifetime travel for individual vehicles far lower than before. DOT’s model claims that nationwide travel is 20-25% lower today than official federal data. These absurd assumptions allow DOT to mythically show lower consumer fuel savings under the standards and therefore lower costs under the roll back. DOT’s cherry-picking leads to embarrassing internal inconsistencies—in the showroom, DOT assumes that consumers only think about vehicle price and not fuel savings, but its rebound analysis assumes that consumers only think about fuel savings and not vehicle price. And the congestion benefits of the roll back appear to be about 50 times higher than DOT projected just two years ago.

DOT Safety Claims are Refuted by Its Own Technical Analysis

DOT claims that the roll back would save 12,700 fatalities. In the New York Times on August 2, Heidi King claimed “This rule promises to save lives...by reducing these barriers that prevent consumers from getting into newer, safer cars.” The Federal Register preamble overview likewise says “A large portion of these safety benefits will come from improved fleet turnover as more consumers will be able to afford newer and safer vehicles.” The goal is to scare the American people into thinking that new vehicles will be safer under the roll back, or that the standards would significantly slow fleet turnover. But, even DOT’s own biased analysis refutes these claims. The Environmental Defense Fund has replicated DOT’s own modeling runs and found that 97-99% of the mythical “reduced fatalities” have nothing to do with vehicle safety or fleet turnover, but are simply due to DOT assuming that Americans will reduce their personal mobility by trillions of miles under the roll back. The fatality rate per mile, the safety metric that DOT has long used, is essentially unchanged.

This radical proposal for a massive eight-year GHG emissions roll back lacks any credible technical rationale, is being rejected in the court of public opinion, and will never stand up to judicial scrutiny. It will unnecessarily worsen climate change and take money from consumers and give it to the oil companies. It must be withdrawn.