

CAR RULES

Trump admin says Calif. deal with automakers broke law

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The Trump administration says California's deal with four automakers may have violated federal law. Doug Kerr/Flickr

The Trump administration today warned a top California air regulator that she may have violated federal law by brokering a landmark deal with four automakers.

In a sharply worded [letter](#), EPA and the Department of Transportation warned California Air Resources Board Chairwoman Mary Nichols that she may be on shaky legal ground.

In July, Nichols helped broker a voluntary agreement between the board and four automakers — Ford Motor Co., Honda Motor Co. Ltd., Volkswagen AG and BMW of North America — to improve the fuel economy of their cars and trucks in the coming years ([Greenwire](#), July 25).

If the agreement takes effect, it stands to significantly undercut the Trump administration's rollback of Obama-era clean car standards.

Yet, according to the letter, the agreement may violate the Energy Policy and Conservation Act of 1975, which prevents states from setting fuel economy standards.

"The purpose of this letter is to put California on notice that this framework agreement appears to be inconsistent with Federal Law," the letter says.

"Congress has squarely vested the authority to set fuel economy standards for new motor vehicles, and nationwide standards for [greenhouse gas] vehicle emissions, with the Federal government, not with California or any other State."

This is not the first time the Trump administration has lashed out at Nichols. In June, EPA Administrator Andrew Wheeler sent the air regulator another sharply worded [letter](#) accusing her of negotiating in bad faith over the car rules rollback ([Greenwire](#), June 20).

Prior to today's missive, auto industry advocates had also voiced concerns about the agreement, saying California had skirted a traditional rulemaking process.

"I think the great irony here is that California likes to follow the Trump administration's process and comment on every detail and threaten that they're going to sue," an auto industry source told E&E News earlier this week, speaking on the condition of anonymity because the person was not authorized to discuss the matter publicly.

"But California itself is skirting all of the traditional rulemaking processes, which may open them up to legal challenges," the source said.

A spokesman for CARB didn't immediately respond to a request for comment on the letter.

In a separate but related development, the Justice Department has launched an antitrust probe into the four automakers participating in the deal, *The Wall Street Journal* [reported](#) today.

The probe will seek to determine whether the four companies violated antitrust law by agreeing with each other to follow different tailpipe pollution standards than the ones proposed by the Trump administration, the *Journal* reported, citing people familiar with the matter.

A Justice Department spokesman didn't respond to a request for comment in time for publication.

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