

**Mary D. Nichols
Chairman, California Air Resources Board**

Testimony

Senate Committee on Environment and Public Works

Field Briefing on USEPA Denial of California GHG Waiver Request

January 10, 2008, Los Angeles City Hall Council Chamber

Thank you Chairman Boxer and committee members for the opportunity to Comment on the USEPA's disappointing decision to deny California's request for a waiver to regulate greenhouse gas pollution from motor vehicles. This unprecedented act denies California its lawful right to adopt tougher vehicle pollution standards that protect millions here in this state. And preempts other states that rely on the California model to reduce pollution from cars.

This is why, as you just heard from Attorney General Brown, California took swift action to challenge this decision in the Ninth Circuit Court of Appeals.

Let me emphasize four key messages:

First, California's standards under AB 1493, if not blocked by the USEPA, would reduce emissions sooner, and by a much greater amount than federal law. I'll provide more detail on that shortly.

Second, it is patently false to characterize an approval of California's waiver request as creating a "patch work" of individual state regulations. Under the Clean Air Act, states can opt into California standards or rely on federal standards, and that is all. The fact that twelve states have already adopted California's program, and others are in the process of doing so, is clear evidence of the acceptance and the one and only alternative to future federal standards.

Third, California's public health and economy are directly and seriously threatened by the impact on global warming – and just last week, additional evidence of the significant public health threat in California related to global warming was revealed by research at Stanford University.

And finally, the California program relies on technology already in use by automakers in today's cars. Consumer's would get better cars, save money, and reduce pollution.

The U.S. EPA has granted California more than 50 waivers, denying none. Under the Federal Clean Air Act, California has the right to set its own tougher-than-federal vehicle emission standards, as long as it obtains a waiver from the U.S. EPA. California's request has been supported by recent judicial decisions in Vermont and California, and the responsibility for the U.S. EPA to regulate carbon dioxide has been established by the Supreme Court.

California requested the waiver on December 21, 2005. The waiver was requested after the ARB developed regulations based on a 2002 California law, AB 1493 by Assemblymember Fran Pavley.

That law required California to establish new standards for motor vehicle greenhouse gas emissions beginning in model year 2009. The ARB-adopted regulations will phase in and ramp up over eight years to cut global warming emissions from new vehicles by nearly 30 percent by model year 2016.

By implementing these standards, California would be eliminating greenhouse gases equivalent to taking 6.5 million cars off the road by the year 2020. If all the other states with similar plans follow through, that figure would grow to more than 22 million vehicles and would cut gasoline consumption by an estimated 11 billion or more gallons a year.

California's program has been mischaracterized as less stringent than federal CAFE standards in the Energy bill recently approved Congress and signed by the President. While California will continue to argue that this comparison is legally irrelevant to and not a proper basis for the Administrator's decision, the Administrator's conclusion is incorrect; California's program is more stringent.

The California standards regulate GHG emissions; federal CAFE standards are aimed at reducing the nation's fuel consumption. These are different programs addressing different problems.

The California Air Resources Board analyzed the relative stringency of the state and federal programs, and prepared and documented its technical evaluation. I have provided the Committee with the full study. This study makes the necessary calculations to allow the two programs to be evaluated so that the reductions in GHG gases under the California rules can be compared to those expected from implementation of the CAFE portion of the 2007 Energy Bill.

The results show that the Administrator's claim that the federal CAFE program is better than California's program at reducing GHG emissions from motor vehicles is wrong, in California and those states that adopt the California standards.

In calendar year 2016, California's program would reduce the State's GHG emissions by 17 million metric tons (MMT) of carbon dioxide. This is more than double the 8 MMT reduction produced by the federal rules.

By 2020, California is committed to implement revised, more stringent vehicle GHG emission limits. This would reduce California GHG emissions by 33 MMTs of carbon dioxide, 74 percent more than the 19 MMTs from the federal rules in 2020.

ARB's analysis estimates the effects of the federal CAFE standards on GHG emission rates. This allows a comparison of the impact of the two programs on vehicle efficiency. Since the California rules are significantly more effective at reducing GHGs than the Federal CAFE program, they also yield a better fuel efficiency – roughly 44 mpg in 2020 for the California vehicle fleet as compared to the new CAFE standard of 35 mpg.

The cumulative benefits of our standards are even greater. Between 2009 and 2016, the California standards will prevent emissions of 58 MMTs of CO₂. This is almost three times the 20 MMTs expected if only the new federal CAFE standards were implemented. By 2020, the full California rules would prevent a total of 167 MMT of CO₂ emissions, more than twice the 76 MMTs reductions of CO₂ expected if only the federal standards were implemented. The greater benefits of the California program occur because it starts earlier, ramps up more quickly, and achieves a more stringent level of control.

There are also significant benefits for the other states that adopt the California standards. Twelve states have done so to date, two more are in the process of adoption, and others are strongly considering. In those twelve states in 2020, California's more stringent limits will reduce GHG emissions by 59 MMTs of carbon dioxide, a 59 percent improvement over the federal standards in 2020.

And the benefits increase as more states adopt our standards. To give you an idea of how big the difference is: If all 50 states adopted California's standards, by 2020 we would see a total cumulative reduction of close to 1,369 million metric tons --that's 1.4 gigatons of carbon dioxide -- double the number of tons that the federal standards alone could achieve by then.

That means that by 2020 the California standards would result in removing the equivalent of 135 million cars from the nation's roads and highways for a full year compared to what the federal standards would achieve.

This is a significant additional reduction in the nation's carbon footprint – and that, ultimately, is what we are all working hard to achieve.

Let me close by acknowledging the important work you, Senator Boxer, the committee members and staff are dedicating to this critical issue. I appreciate the attention and resources you are devoting to the issue of global warming, and to California's need to preserve the integrity of the state's authority to adopt

tougher pollution cutting standards. I will be happy to answer any questions the committee may have. Thank you.