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# TRUMP'S WRONG TURN ON CLEAN CARS: THE EFFECTS OF FUEL EFFICIENCY ROLLBACKS ON THE CLIMATE, CAR COMPANIES, AND CALIFORNIA

## HEARING

BEFORE THE

SUBCOMMITTEE ON ENVIRONMENT

OF THE

COMMITTEE ON OVERSIGHT AND REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTEENTH CONGRESS

FIRST SESSION

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* EPA's Final Determination on Greenhouse Gas Emissions Standards, January 2017; submitted by Chairman Rouda.

* ″Flawed analyses of U.S. auto fel economy standards,″ *Science*, by Antonio Bento et al.; submitted by Chairman Rouda.

* The American Lung Association's ″State of the Air,' report, 2019; submitted by Chairman Rouda.

# TRUMP'S WRONG TURN ON CLEAN CARS: THE EFFECTS OF FUEL EFFICIENCY ROLLBACKS ON THE CLIMATE, CAR COMPANIES, AND CALIFORNIA

**Tuesday, October 29, 2019**

HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON NATIONAL SECURITY
COMMITTEE ON OVERSIGHT AND REFORM
*Washington, D.C.*

The subcommittee met, pursuant to notice, at 10:08 a.m., in room 2154, Rayburn House Office Building, Hon. Harley Rouda presiding.

Present: Representatives Rouda, Maloney, Tlaib, Krishnamoorthi, Speier, DeSaulnier, Gomez, Ocasio-Cortez, Comer, Jordan, Gosar, Gibbs, Armstrong, and Keller.

Also present: Representative Peters, Chu, Eshoo, and Levin.

Mr. ROUDA. The subcommittee will come to order. Without objection, the chair is authorized to declare a recess of the subcommittee at any time, and, without objection, nonmembers are authorized to participate in this hearing. Some of them will be coming and going as the day goes on, DeSaulnier, Peters, Levin, Eshoo, and Chu being recognized specifically, as well as any other who may show up.

This Committee is here to examine the Trump Administration's proposed rollbacks of Federal clean car and fuel economy standards and the Administration's announced revocation of California's waiver under the Clean Air Act, which would remove the state's ability to set more stringent tailpipe emission standards.

I now recognize myself for five minutes to give an opening statement.

Let me start off by expressing our thoughts and prayers with the people of California as they battle the destructive wildfires that have ravaged our home state, and to the first responders who are risking their lives and giving everything they have to containing these fires. Thank you from the bottom of our hearts. The word "heroic" doesn't do enough justice.

I would also like to say a few words about our friend and colleague, Chairman Elijah Cummings, whom we lost on October 17. Elijah was the pillar of moral authority in this chamber, and it was our deep honor and privilege to serve with him, to learn from him, and be touched by his passion for and commitment to improving the lives of all Americans. That is what it is really all about. That is why he served. That is why we serve, to make life better for our fellow citizens, to ensure that their lives are as long, healthy, happy, prosperous, and free as possible. We have lost a giant, and

this subcommittee will honor his legacy by continuing to fight for the things he believed in.

After the chairman's passing, Majority Leader Hoyer stopped by this hearing room and spoke to members of staff about Elijah, and he quoted from Ted Kennedy's eulogy for his brother, Robert, in 1968. "My brother need not be idolized or enlarged in death beyond what he was in life, but to be remembered simply as a good and decent man, who saw wrong and tried to right it, saw suffering and tried to heal it, saw war and tried to stop it."

I cannot think of a better way to express Elijah's life and legacy than those words. So for Elijah, I will echo the prayer with which Ted Kennedy ended his eulogy: "Those of us who loved him and who take him to his rest today, pray that what he was to us and what he has wished for others will someday come to pass for all the world."

Today, the Environment Subcommittee will examine two recent decisions made by the Environmental Protection Agency and the National Highway Safety Administration under President Trump. First, the Administration has chosen to freeze fuel efficiency standards at 2020 levels, rolling back an Obama Administration policy that would slowly increase the standards to 54.5 miles per gallon by 2025, a policy, by the way, that the Obama Administration set after thorough negotiations with automakers.

These rollbacks of fuel efficiency requirements, known as corporate average fuel economy, or CAFE, standards, are, to put it quite simply, brazen and irresponsible. The Trump Administration is gambling with people's lives here. Let's make that clear from the onset.

Second, the Trump Administration is also actively preventing states from protecting their own citizens. Under the Clean Air Act of 1970, my home State of California was granted a waiver to set its own greenhouse gas emission standards, and until this that waiver has never been revoked. For 50 years, previous administrations, Democratic and Republican alike, have recognized the right of California to protect the health of its own residents. California, through a meticulous and democratic process, created more stringent emissions requirements, and, when the Obama Administration wanted to create a national program to limit greenhouse gases and improve fuel efficiency in vehicles, California worked with the Federal Government to do just that.

Currently, 13 other states, plus the District of Columbia, have followed California's lead by setting more stringent emission requirements, recognizing that the particular challenge of climate change and air pollution requires decisive action. Stricter emission standards not only reduce the main cause of global warming but they also encourage automakers to develop newer, more efficient vehicles that will save Americans money at the pump and improve the health of each and every American, regardless of political affiliation.

It is a win-win for everyone except the fossil fuel companies, which, unfortunately for the rest of us, played a significant role in the regulatory decisionmaking process at EPA and NHTSA, a much bigger role than the car companies did prior. Perhaps that is why 17 automakers sent a letter to President Trump in June of this

year, asking for the Administration to work with California to develop a higher national fuel efficiency standard, or why, in July, four automakers struck their own deal with California regulators to get standards up to 51 miles per gallon by 2026.

I commend those automakers—Ford, Volkswagen, BMW, and Honda—that have been courageous enough to look forward to the future, that recognize that California is attempting to solve a planetary crisis while the Trump Administration sticks its head in the sand, that understanding that this is not just about climate change but also about America's right to clean air, and who have maturely and responsibly worked with California to raise mileage standards and reduce greenhouse gas emissions slowly over the course of the next several s.

Unfortunately, not all auto companies have taken this tact, and I urge those companies to reconsider their poor decision not to comply with California's higher standards. I invite those companies to justify their position before my subcommittee. Please, come explain to us why you don't believe you must play a vital role in solving the climate crisis. Explain to us why you don't care enough about the health of American citizens to bother to make better, more fuel efficient vehicles. And above all, explain to us why you have chosen to align yourself with an Administration that is stuck in the past.

We want, we need to move forward. To paraphrase Clarence Darrow, "We know the future is on our side. We are pleading for the future."

Turning back the clock on progress is not leadership. It is colossal failure. Look, we can pretend climate change isn't real. We can spend days, months, and years arguing over what or who is responsible. But while we are doing that, more and more carbon is entering our atmosphere and leaching into our oceans. People around the world are being displaced. Public health is worsening and natural disasters are getting more intense. Californians know this first-hand.

This past weekend, California Governor Newsom declared a statewide emergency, as nearly 200,000 people have fled their homes from the massive wildfires that are raging across the state. Californians are facing unprecedented fire weather conditions this season, in large part due to global warming. And in a gruesomely circular fashion, these fires then exacerbate the impacts of climate change by releasing huge amounts of carbon dioxide and other greenhouse gasses into our atmosphere. On and on it goes.

The situation is simply not sustainable. We cannot go on like this. People's lives hang in the balance. We are lucky that there are states like California that are willing to do their jobs and enact policies designated to mitigate climate change and help the American people adapt to its effects. Those states are doing the responsible thing. They are problem-solving, they are governing, and the Trump Administration should try following their example for a change.

Thank you, and I now invite the ranking member of the subcommittee, James Comer, to give a five-minute opening statement.

Mr. COMER. Well good morning, and always I thank Chairman Rouda for his work on the subcommittee, and I want to welcome our distinguished witnesses here today to discuss the Trump Ad-

ministration's Safe Affordable Fuel Efficient Vehicles Rule, otherwise known as the SAFE Rule. As my fellow ranking members noted at hearings last week, Mr. Chairman, I will note that the majority is creating a difficult scheduling conflict for members of this subcommittee. On one hand, we have today's hearing. On the other, we have a deposition related to the majority impeachment of the President, the inquiry taking place over in the Capitol, which only certain House members are able to attend. I believe the Democrats' impeachment inquiry requires our Members' attention, and I hope moving forward we can agree to avoid this type of scheduling conflict.

Moving on to today's topic, President Trump promised the American people that his Administration would address and fix the current fuel economy greenhouse gas emissions standards. The United States needs certainty in its regulations. This means that we should adopt one national standard for state fuel economy standards, not a patchwork of regulations that differ from state to state. By withdrawing California's Federal waiver, we are a step closer to one national standard for fuel economy and emissions. One national standard provides a regulatory certainty that the automotive industry craves, and makes the proposed Safe Vehicles rule one step closer to becoming a reality.

The average price of a new vehicle was $39,500 in the first half of 2019. That price tag is way too high for a majority of Americans. Instead of buying new cars, Americans will continue to drive their old cars which have more safety hazards and are much less fuel efficient.

EPA and DOT have been working tirelessly to finalize a rule that will save lives and strengthen the economy. The rule will reduce the price of a new vehicle, which will, in turn, help more Americans purchase newer, cleaner, and safer cars and trucks.

The SAFE rule is good for public safety, good for the economy, and good for the environment. The proposed SAFE rule will set the correct approach to national fuel economy standards and ensure that Americans have access to safer, more efficient cars in the future. California should not set the standards for the rest of the country. The patchwork of regulations that exists hurts everyone in the auto industry, from the automakers to the car buyer.

I stand with the Trump Administration's decision to establish one national standard for fuel economy and emissions. The proposed SAFE Rule will save lives and promote economic growth throughout the country.

Again, thank you, Mr. Chairman, for today's hearing, and I look forward to hearing from our witnesses.

Mr. ROUDA. Thank you.

Mr. GOSAR. Mr. Chairman, I have a point of order.

Mr. ROUDA. Yes.

Mr. GOSAR. Mr. Chairman, pursuant to House Rule XVI, Clause 4(a)(1), I have a privileged motion. I respectfully ask for us to adjourn.

Mr. ROUDA. The motion is tabled.

Mr. GOSAR. No. It is not debatable. It is up for a vote. I ask for a recorded vote immediately.

[Pause.]

Mr. ROUDA. The motion is not debatable. The clerk will call the roll.

[Pause.]

Mr. ROUDA. We will conduct the vote shortly, after it takes a little bit of time to get set up.

Mr. JORDAN. Mr. Chairman? Mr. Chairman? Mr. Chairman? Can you call the vote? No, can you start to call the vote? You can still hold it open, but some of us would like to vote. Oh, okay.

All it takes is a notebook and a pencil and someone to call the roll.

[Pause.]

Mr. JORDAN. Mr. Chairman, I would be happy to—someone, if you can call the roll I would be happy to tally it. We have to be in a deposition on this unfair partisan impeachment process you guys are running.

[Pause.]

Mr. JORDAN. All we need is a staff member to read the names on the nameplate.

Mr. ROUDA. The gentleman will suspend while we wait the clerk to do the roll call.

[Pause.]

Mr. JORDAN. Mr. Chairman, do we have any idea how long it takes to get a staff member to sit at a table and call the roll? There is testimony happening right now. Lieutenant Colonel Vindman is testifying. I would like to be there. But we have a motion in front of the committee, appropriately made, privileged motion. I have never seen this happen. Call the roll. If you want to hold the roll open after we have all voted, hold it open. I would like to vote and go back to the deposition.

It is not our fault that your members won't show up. Just get a staff member, call the roll. You can read the nameplates, right down the list. It is pretty easy.

If you need a tally sheet from the minority we will be happy to provide one.

[Pause.]

Mr. JORDAN. Mr. Chairman, do you need to know the members of your committee? Mr. Rouda, Ms. Hill, Ms. Tlaib, Mr. Krishnamoorthi, Ms. Speier, Mr. Gomez, Ms. Ocasio-Cortez. Acting Chair Maloney can vote as well. Republicans, Mr. Comer, Mr. Gosar, Mr. Gibbs, Mr. Armstrong, Mr. Keller, and myself. What is that—8, 14 names. I think I did that in like 30 seconds. Fourteen names.

We would be happy to—Mr. Chairman, if it is okay, Mr. Chairman, I would like to enter the tally sheet into the record and make sure you have that, so we will pass that down for the chairman.

Ms. TLAIB.

[Off microphone.]

Mr. JORDAN. No, no, you don't cross it off. You have to vote. But the chairman won't call the vote.

Mr. ROUDA. We ask that all members suspend until the clerk gets here, so we can take the roll call.

[Pause.]

Mr. GOSAR. Mr. Chairman, you have counsel. That should suffice as staff. I ask for the roll call to be given.

Mr. JORDAN. Mr. Chairman, you now have the tally list. You have staff in the room. Why can't you call the roll?

[Pause.]

Mr. GOSAR. It is pretty easy. We have got the names right in front of you—James Comer, Paul Gosar, Bob Gibbs, Kelly Armstrong, Craig Keller, and Ranking Member Jordan, yourself, Harley Rouda, Katie Hill—well, she is not here—Rashid Tlaib, Krishnamoorthi, Jackie——

Ms. TLAIB. Rashida.

Mr. GOSAR. Rashida. Sorry—Jimmy Gomez, and Alexandria Ocasio-Cortez. It is that easy. You have staff here. You have counsel here. All you have to do is do your job and ask for the yeas and nays.

[Pause.]

Mr. JORDAN. Mr. Chairman, question for the chair. Mr. Chairman? This is a process question.

Mr. Chairman, is there a chance you could call the roll and just hold it open? Let us vote. Until you close the vote you can keep it open until your members get here. Obviously that is what you are attempting to do. But that would allow those of us who want to go back and hear Colonel Vindman's testimony in the deposition to do that. If you just call the roll, we will vote. You hold it open and you can go round up your members wherever they may be. But you can hold the vote open as long as you darn well want. But this idea that you are making us all wait—now what has it been, like 10 minutes?

Mr. ROUDA. No one is making you wait. You are more than welcome to leave at any time and go join the deposition.

Mr. JORDAN. No. There is an important motion made by our colleague that I am going to vote on.

[Pause.]

Mr. GOSAR. Yes, I actually think you are now in violation of the House Rules, privileged motion. You were supposed to bring it up immediately when it is made, by a member of the committee. Mr. Gosar made his privileged motion now seven, eight minutes ago, and you have not brought it up. That is a violation of the rules.

So let's just bring it up and have the vote, and like I said, you can hold the vote open, but you are not allowed to postpone the vote, which is what you are doing.

[Pause.]

Mr. GOSAR. For the record, it has now been 10 minutes and we still have members having to stay here to do their due diligence in this committee, when they are required down in the SCIF.

[Pause.]

Mr. JORDAN. Ten minutes. Ten minutes on a privileged motion.

[Pause.]

Mr. JORDAN. Found the clerk yet? You guys found the clerk? Still looking? Still looking for a staff member and a tally sheet? We gave you the tally sheet. I see lot of staff members in the room. Lots of staff members I see in the room.

Mr. GOSAR. The gentlewoman is counsel and she—counsel can do all of the above.

Mr. JORDAN. The Republican clerk will be glad to take the roll. We have one in the room.

[Pause.]

Mr. JORDAN. Mr. Chairman, under House Rule IX, it talks about the integrity of House proceedings also extends to the activities of its committees. As chair, you have an obligation to take up a privileged motion at the time it is offered. You could hold the roll open—you could hold the vote open.

Mr. ROUDA [continuing]. In eight years, the Democratic minority has never tried to interrupt a hearing like this, and here you are pulling a stunt. This chair——

Mr. JORDAN. It is not a stunt.

Mr. ROUDA [continuing]. is not going to——

Mr. JORDAN. It is a privileged——

Mr. ROUDA [continuing]. take a vote——

Mr. JORDAN [continuing]. Mr. Chair.

Mr. ROUDA [continuing]. until I decide.

Mr. JORDAN. Oh. So you are making the rules up as you go along?

Mr. ROUDA. No. I am saying I will decide when——

Mr. JORDAN. You have a privileged motion on the table.

Mr. ROUDA. We are waiting for——

Mr. JORDAN. There was only one course of action.

Mr. ROUDA. Once again——

Mr. JORDAN. You have to take it up.

Mr. ROUDA [continuing]. Mr. Jordan, if you need to be somewhere else you should absolutely take the time to go.

Mr. JORDAN. I need to be right here, hoping that actually the Democrats will start enforcing the rules of the House. They are obviously not doing the proper rules and due process with the impeachment proceeding, and it has now been almost 15 minutes since the gentleman from Arizona made a privileged motion——

Mr. ROUDA. I know there is a strong desire on your part——

Mr. JORDAN. You get to call—you get to call——

Mr. ROUDA [continuing]. not to have the fact come to light, but this committee will proceed in short order once the staff is ready. Thank you.

Mr. JORDAN. Once the staff—I——

Mr. GOSAR. Once again, I want to reiterate, the staff is present here. You have counsel here that can do all of the above. They are responsible for it as well.

[Pause.]

Mr. JORDAN. Mr. Comer?

Ms. OCASIO-CORTEZ. Mr. Chairman, may I make a comment?

Mr. ROUDA. Yes.

Ms. OCASIO-CORTEZ. I am—I would like to do my job, and I try not to get out of my job at every opportunity. So given the fact that we have convened the former Governor of California and Senator Whitehouse here, we are here to talk about the very pressing issue of cutting our carbon emissions and saving our planet, and we have an entire political party that is trying to get out of their job, adjourn this hearing, and I just want to know what the reason for such a disrespect of our process would potentially be. Do we have a reason for why this hearing is trying to be adjourned, or, you know, do we have just like a cocktail party?

Mr. ARMSTRONG. Yes. I have one. I have a real easy one. The oil industry is the second-largest industry in my state. My constituents expect me to be here. We are running an impeachment hearing down in the basement of the Capitol right now.

Ms. OCASIO-CORTEZ. Wait. So this is about the oil industry, or——

Mr. ARMSTRONG. No. No. No.

Ms. OCASIO-CORTEZ [continuing]. the impeachment hearing?

Mr. ARMSTRONG. It's about the economy of the state of North Dakota, and my constituents.

Ms. OCASIO-CORTEZ. This is a hearing about California.

Mr. ARMSTRONG. I want to participate in this hearing, but I also feel the need to be in the SCIF, because we are only one of three committees that are allowed to be in the room. I can do a lot of things. I can't be two places at once. I am completely comfortable having this hearing. I would just prefer to have it at a time when I can participate in it.

Ms. OCASIO-CORTEZ. And this was the conversation that was brought up—this could not have been brought up before we convened the Senator and Governor? We are doing this when they are here?

Mr. JORDAN. We have expressed this last week, about having two things going on at the same time. It is not like we haven't talked about this. But you guys continue to do hearings at the same time there are depositions going on. As the gentleman from North Dakota said, we can't be two places at once. You talk about wanting to do your job? There is no way to do that when you have to be two places at once.

Mr. ARMSTRONG. And just be clear, there was exactly one Democrat in the room when this started.

Mr. GOSAR. And counsel has been present the whole time.

Mr. JORDAN. Seventeen minutes. Still waiting for a privileged motion. Seventeen minutes. I have never seen this in my time in the House of Representatives.

[Pause.]

Mr. JORDAN. Mr. Chairman, it is actually not——

[Pause.]

Mr. JORDAN. Mr. Chairman, found the clerk?

Voice. I thought the clerk was supposed to be around.

[Pause.]

Mr. JORDAN. Any clerk yet, Mr. Chairman?

Mr. ROUDA. The clerk is on the way.

Mr. JORDAN. Wow. Imagine that. Imagine that.

[Pause.]

Mr. ROUDA. Clerk, Mr. Gosar has put a motion on the table to adjourn. Will you please take roll call?

The Clerk. Mr. Rouda?

Mr. ROUDA. No.

The Clerk. Mr. Rouda votes no.

Ms. Hill?

Ms. Tlaib?

Mr. GOSAR. Inquiry, please.

The Clerk. Ms. Tlaib votes no.

Mr. ROUDA. Please continue with the roll call.

The Clerk. Mr. Krishnamoorthi?
Mr. KRISHNAMOORTHI. No.
The Clerk. Mr. Krishnamoorthi votes no.
Ms. Speier?
Ms. SPEIER. No.
The Clerk. Ms. Speier votes no.
Mr. Gomez?
Mr. GOMEZ. No.
The Clerk. Mr. Gomez votes no.
Ms. Ocasio-Cortez?
Ms. OCASIO-CORTEZ. No.
The Clerk. Ms. Ocasio-Cortez votes no.
Ms. Maloney?
Ms. MALONEY. No.
The Clerk. Ms. Maloney votes no.
Mr. Comer?
Mr. COMER. Yes.
The Clerk. Mr. Comer votes yes.
Mr. Gosar?
Mr. GOSAR. Yes.
The Clerk. Mr. Gosar votes yes.
Mr. Gibbs?
Mr. GIBBS. Yes.
The Clerk. Mr. Gibbs votes yes.
Mr. Higgins?
Mr. Armstrong?
Mr. ARMSTRONG. Yes.
The Clerk. Mr. Armstrong votes yes.
Mr. Jordan?
Mr. JORDAN. Yes.
The Clerk. Mr. Jordan votes yes.
Mr. ROUDA. Will the clerk report the tally?
The Clerk. On this vote we have seven noes——
Mr. COMER. Point of order, Mr. Chairman. We left out a member. You all left out a member, Mr. Keller from Pennsylvania.
Mr. COMER. Mr. Higgins is not on the committee.
The Clerk. Mr. Keller?
Mr. KELLER. Yes.
The Clerk. Mr. Keller votes yes.
Mr. ROUDA. Is there any other member wishing to vote or wishing to change his or her vote? If not, the clerk shall report the vote.
The Clerk. On this vote we have seven noes and six ayes.
Mr. ROUDA. The motion is not agreed to. We will proceed with the hearing. And I have to say I am very disappointed in these antics.

I have been in the SCIF room for many of these witness depositions. Many of the members that are afforded the ability from this committee to go there have not been in many of those depositions. The fact that they seem to want to make it an issue now clearly shows they care more about process and trying to prevent the good work of this committee to do the investigative work it is obligated to do, under the Constitution, to protect the President at all costs, instead of doing their duty, is disappointing. The fact that we have

several members here that have been to this subcommittee meeting for the first time ever is incredibly disappointing.

But with that we are going to move forward——

Mr. GOSAR. I find it very offensive, Mr. Chairman——

Mr. ROUDA. I welcome the first panel of witnesses, the Honorable Edmund G. Jerry Brown, Jr., former Governor of California, and the Honorable Sheldon Whitehouse, U.S. Senator from Rhode Island. Please stand and raise your right hands and I will begin by swearing you in.

[Witnesses sworn.]

Mr. ROUDA. Let the record show that the witnesses answered in the affirmative. Thank you.

As I am sure both of you know, the microphones are sensitive so please speak directly into them. Without objection, your written statement will be made part of the record. With that, Governor Brown, you are now recognized to give an oral presentation of your testimony.

**STATEMENT OF THE HONORABLE EDMUND G. BROWN, JR., FORMER GOVERNOR OF CALIFORNIA**

Mr. BROWN. Thank you. My name is Jerry Brown. I was the Governor of California from 1975 to 1983, and from 2011 to 2019, a period when the very idea of the environment and the threats from climate and other sources became very well known.

I think it is really critical that we are talking about climate change. There are a lot of important things going on. Impeachment is important, but climate is even more important. The most important threat facing the world and America is what happens to our weather, our climate, our well-being.

Now despite what the designers are saying, the seas are rising, the icecaps are melting, the diseases are spreading, and the fires are burning. In that respect, I would like to just make mention of the fires in California. Hundreds of thousands of people have been evacuated. There is real terror in the lives of hundreds of thousands of people. Homes are being destroyed. So this is not just another legislative game here. This is life and death stuff, and climate change is related to the fires in California. California is burning while the deniers make a joke out of the standards that protect us all.

The connection, by the way, with climate change and fires is very simple. Climate, warming, dries things out. When trees and brush get drier, they burn faster, and they burn further, and that devastation is magnified. Climate change is a force multiplier, and we are seeing that in California, where our fire season is longer and more devastating. It is really something, at the very moment when California is burning, General Motors jumps on the bandwagon, as Trump's lapdog, to join the opposition to undercut California's rules.

These rules were established under laws created by two of the Republicans' most famous leaders, Richard Nixon and Ronald Reagan. Reagan was Governor, Nixon was President during the Clean Air Act, when California got the right to set its own rules. Reagan and Nixon were worried about two standards. They recog-

nized that California would have a stricter standard, and that's been the rule.

In more recent times, we have modified our environmental rules to cover CO2 and greenhouse gases. Now the fact that we have a few automobile companies, not all—Ford and Honda—they are on our side. And this is not just a trivial issue. Nothing is more important than the future of our climate. You walk outside and if the climate is modified, and it will be over the next 10, 15, 20, 30 years, it is your kids. It is your grandchildren. This is not about me. I am older than all you guys. I will be dead. But your kids are going to be alive and they are going to face a terrible future. And if you don't face the reality and do something about it, you are complicit.

I want to say something about General Motors. These guys, when I was Governor the first time, they were out there trying to torpedo our air pollution regulations. Then when I was attorney general they tried to sue us to stop our vehicle emission standards, and we beat them. We beat them in Vermont. We beat them in California. Now they come for the third round, and they joined in a shameless effort to increase or protect their short-term profits.

I don't need to remind the President of GM, when the Japanese started building smaller, more efficient cars, GM didn't get it, and they lost massive sales to foreign car owners. The same thing is going to happen. China is not cutting back on their standards. Europe is not cutting back. California is the way to the future. The combustion car is going the way of the dodo bird, and you have got to get with it or get out of the way.

Those standards are reasonable. California has grown tremendously. It has gone from 2 trillion to 2.8 trillion in eight years, and we have the toughest standards in the western hemisphere.

You can have a plan to fix the environment, to protect our health, and make the economy grow at the same time. This is important. It is real. Get on the side of science. Get on the side of the people. Get on the side of the future.

Thank you.

Mr. ROUDA. Thank you, Governor Brown.

Senator Whitehouse, you are now recognized for five minutes for your opening statement.

## STATEMENT OF THE HONORABLE SHELDON WHITEHOUSE, U.S. SENATOR FROM RHODE ISLAND

Senator WHITEHOUSE. Thank you, Chairman. Last October, I submitted comments, along with several colleagues, to EPA and DOT, chronicling the fossil fuel industry's efforts to hijack the fuel standards rulemaking, and I have appended those lengthy comments to my testimony.

First, the background. In the last administration, the auto industry agreed to greenhouse gas standards for model years 2017 through 2005, in an agreement with the state of California and the Federal Government. The standards would cut carbon pollution from cars and light trucks in half by 2025, saving American families more than $1.7 trillion, or $8,000 per car, by model year 2025.

Then President Trump took office. The auto industry sought to revisit the standards, apparently for mostly technical changes.

They deny arguing for a freeze or for outright repeal or against the California standards.

But someone else was watching. While the fuel economy standards would have little effect on the number of cars sold, they would considerably affect the amount of gasoline sold. That $1.7 trillion saved by consumers is lost oil industry revenue.

So the oil industry activated the web of front groups and trade associations that is uses to block climate action, trade associations like the American Fuel and Petrochemical Manufacturers, AFPM, which Big Oil pays to do its political dirty work; anodyne-sounding front groups like FreedWorks, the Competitive Enterprise Institute, and Americans for Tax Reform, that masquerade as public interest groups but serve as mouthpieces for the fossil fuel industry.

To maintain the masquerade, these groups don't disclose their funders but all are tied, in various ways, into the network run by fossil fuel interests, with a trillion-dollar incentive to undo the fuel efficiency standards.

In March 2018, 11 front groups wrote to then-EPA administrator Scott Pruitt, urging him to revoke the California waiver. We found that the 11 groups behind the March letter had received a minimum of $49 million from fossil fuel interests. I stress "minimum," since these groups don't disclose their funders. The total is likely far, far h higher.

A month later, in April 2018, a dozen front groups wrote to Pruitt and Secretary of Transportation Chao, thanking them for proposing to undo the standards and urging them to go as far as possible. The 12 groups behind the April letter had received a minimum of $196 million in funding from fossil fuel interests.

Then in May 2018, senior executives from two front groups wrote to President Trump, urging him to roll back the standards and revoke the waiver. The two groups behind the May letter had received a minimum of $7.7 million from fossil fuel interests.

The front groups did not limit their effort to letters. Americans for Prosperity, a front group at the heart of the Koch Industries' political network, launched a national public campaign opposing the fuel economy standards. Americans for Prosperity also does not disclose its donors, but the Kochs are fossil-fuel billionaires.

Oil industry trade association AFPM sponsored a separate campaign on Facebook against the fuel economy standards, and oil companies themselves quietly went to work. Disclosure reports for 2017 and 2018 reveal that Marathon Petroleum, the largest U.S. oil refiner; Valero, the second-largest; and Andeavor, the fifth-largest, all lobbied on the standards, as did Koch Companies and AFPM.

Marathon Petroleum pressed particularly hard. We were able to obtain a draft letter to NHTSA Deputy Administrator Heidi King urging that the standards be weakened. The draft still contained the letter's metadata, which showed it was drafted in April 2018 by a Marathon in-house lobbyist. We compared the Marathon lobbyist's draft to three strikingly similar letters sent to the deputy administrator by House members. Applying plagiarism software to their letters revealed that, respectively, 37 percent, 40 percent, and 80 percent of the letters from the Indiana, West Virginia, and Pennsylvania delegations tracked the Marathon lobbyist's draft.

My office now has evidence that AFPM pursued a similar strategy, planting arguments with Republican Governors.

More important, of course, is what we don't know. We have incomplete information about the funders of these front groups and trade associations. We don't know the substance of communications between those front groups and associations and their fossil fuel funders. We can't yet determine whether the oil companies used these tax-exempt front groups to lobby and campaign for this trillion-dollar revenue boost in a way that is a violation of the tax-exempt status of the groups. If evidence showed that the fossil fuel industry used these groups to knowingly lie to the public about the harmful effects of fossil fuel's carbon pollution, it would be appropriate for Congress to uncover and expose that fraud.

I hope this committee will initiate a detailed investigation examining this network of front groups and trade associations, determine who funds them and expose how they coordinate with industry.

Representative Henry Waxman spent years investigating how the tobacco industry lied to the public. That work helped put an end to those lies. The public was well-served by that effort.

Examining dark-money funding is an obvious start. There is no legal privilege preventing disclosure of dark-money funding. Congress has every right to investigate a scheme to deceive the public. This hearing and the one last week in Representative Raskin's subcommittee lay the predicate. You have a powerful tool at your disposal in the subpoena. Justice Brandeis famously said "sunlight is the best disinfectant." However is there more need for disinfection than in the long and sordid campaign of falsehood the fossil fuel industry has perpetrated.

This saga may well not end here. It seems that the auto industry realized how it was being played by Marathon and others, left that fixed game, and worked out a separate agreement with the state of California. This disrupted the Marathon scheme, reportedly angering the Administration and even the President, and the next thing you know a truly bizarre letter emerged from the Justice Department raising antitrust concerns against the auto industry for negotiating with California.

One basic principle in antitrust law, founded in the Noerr-Pennington doctrine and the Constitution's Petition Clause, is that industries can combine to lobby and negotiate with government. The oil industry combines in one of the most elaborate lobbying operations anywhere to pursue its interests in government. If the oil industry managed to put the Department of Justice up to that letter to the auto industry, it adds irony as well as mystery. Whatever the irony, the mystery of why such a letter was written, and who was behind it, also lends itself to congressional scrutiny.

Mr. Chairman, too much dirty politics is waged with dark money, the secrecy is protected by no privilege, and a little sunlight would be very healthy for American democracy. Thank you.

Mr. ROUDA. Thank you, Senator Whitehouse, and thank you both again for your very compelling testimony. At this time the chair recognizes Representative Tlaib for five minutes of questioning.

Ms. TLAIB. Thank you, Mr. Chairman, and let's bring some sunlight in. As you all know, I represent 13th District strong in the

metro Detroit community, where the only oil refinery in the state is in my backyard. Chairman Rouda was there, literally at a community center. Right behind us was Marathon Oil refinery.

In December 2018, a *New York Times* investigation found that Marathon Petroleum worked with powerful oil and district groups in a conservative policy network financed by the Koch brothers to lobby the Trump Administration to roll back the car emission standards.

Marathon is no stranger to my residents in Michigan's 13th District. It is well-document history of environmental violations, even two days ago, impacting southwest Detroit, the 48217 zip code, Melvindale, and nearby River Rouge and city of Ecorse.

Earlier this year, our local Metro Times reported that since 2013, Marathon's Detroit refinery has received 13 violation notices, and since 2005, the state of Michigan has taken legal action against Marathon three times. For decades, this refinery has violated the Clean Air Act and its state permits, poisoning the air we breathe, causing high rates of asthma and cancer rates throughout my district, all while getting a slap on the wrist for doing so.

So, Senator Whitehouse, in your testimony you describe the work of the oil industry groups and their communications with the Trump Administration. Why do you think the fossil fuel lobbyists are in such frequent communication with regulators, and is it healthy for our democracy?

Senator WHITEHOUSE. I think it is perfectly healthy for our democracy for interests to be communication with regulators, so long as the public has an idea of what is going on. The danger is when those conversations descend into darkness, and are done secretly and privately, and the danger is particularly worsened when we have a campaign finance system that allow big interests to spend unlimited amounts of money while obscuring who they are, so that the public never has any chance to identify who the protagonists are on the political stage.

To go from unlimited money, which is bad enough, to dark money, unlimited money, which is still worse, the next step is that a powerful organization that has the ability to spend unlimited dark money against the candidate has the ability to threaten and promise that candidate in ways that are highly corrupting. That is what we really don't understand the depths of yet.

Ms. TLAIB. Absolutely. In the New York Times investigation it also reported a call that took place between investors and Mr. Heminger, Marathon CEO, which indicated at the rollback would increase gasoline usage from 350,000 to 450,000 barrels per day.

Senator Whitehouse, in your opinion, which industry has the most to gain by lobbying for the rollback of car emission industry?

Senator WHITEHOUSE. Well, without a doubt it is the industry that refines the fuel that would be burned in the less-efficient vehicles and the calculation of that as a $1.7 trillion differential gives a very significant incentive. If you were to spend $1.7 billion trying to manipulate regulators and Congress, you would still have a 1000-to–1 payback if you were that industry.

Ms. TLAIB. Thank you, Senator. I want to really emphasize, a quarter of the world's oil is used to power cars. So when cars are more fuel efficient that means they use less gas, and when cars use

less gas it is not the auto industry that hurts, it is the oil companies. Before his resignation from the position of administrator of the EPA, Scott Pruitt announced that the intention to roll back Obama-era standards requiring vehicles to average more than 50 miles per gallon by 2025, that this proposed rule to freeze these standards, was developed on his watch, that Marathon was a top donor to Mr. Pruitt, and Mr. Heminger and Mr. Pruitt were scheduled to meet at least twice during this time that the EPA was discussing this.

So, Senator Whitehouse, do we know what was discussed in those meetings between Heminger and Pruitt?

Senator WHITEHOUSE. No.

Ms. TLAIB. Beyond meetings with Marathon, do you think that there were other meetings taken by Pruitt with Big Oil or other front groups, that the American people should be aware of?

Senator WHITEHOUSE. I think we need a much clearer view of exactly what took place in all of this. There are a number of mysteries that would be very helpful for this committee to explore, and I don't believe exploring those mysteries trespasses on any legal privilege.

Ms. TLAIB. So given that there is so much that we do not know about the nature of the communications and relationships between the Trump Administration and industry, what information or documents do you think would help bring forward potential wrongdoing and things that we need to look into?

Senator WHITEHOUSE. I think there are a great number of ways to look, but obviously to follow the dark money flows would be a very useful place to look. I would also look at anything in Marathon's records that related to the Department of Justice letter, because it would not surprise me if there were fossil fuel interests that prompted the antitrust letter to the auto industry companies, which seems, on its face, to both violate basic principles of antitrust law and the internal departmental procedures of the Department of Justice for proceeding with that kind of investigation.

Ms. TLAIB. Thank you, Mr. Chairman. I yield the rest of my time.

Mr. ROUDA. Thank you. The chair now recognizes Representative Comer for five minutes.

Mr. COMER. Senator Whitehouse, in September you posted several tweets alleging that the fossil fuel industry was behind the President's new SAFE Rule and other actions related to auto emissions, and that automakers weren't interested in the Administration's regulatory plans. Is that correct?

Senator WHITEHOUSE. Not entirely. I think that the auto industry was interested in getting what I think would be fair to describe as some technical corrections and adjustments to the agreement that they had reached with California and the Obama Administration. My view is that at that point a third party, the oil industry, most prominently Marathon Petroleum, engaged behind the scenes in that conversation and ran off with that conversation to the point where the auto industry felt obliged to enter into separate negotiations with the state of California, which we saw——

Mr. COMER. Okay.

Senator WHITEHOUSE [continuing]. and announced the results of those separate negotiations, because I felt——

Mr. COMER. Yesterday, as you know, several auto manufacturers filed their support of the Administration's effort to institute a national standard for emissions with the U.S. Court of Appeals for the District of Columbia. This appears to signal that large segment of the auto industry are in agreement that the regulatory certainty that would come from a single national standard is preferable to the one where California and any other state can develop their own standards, doesn't it?

Senator WHITEHOUSE. Not necessary. I have not had a chance yet to read the motion to intervene. It could very well be that the companies want to intervene in order to have a place at the table. What their position is going to end up being on fuel economy standards and on whether there should be a separate state program is something that I am not aware of yet.

Mr. COMER. Your written statement for today's hearing, which was submitted before yesterday's news, I believe, seems to imply that the auto industry as a whole is not supportive of the Administration's regulatory plan. We now know, of course, that, yes, some auto manufacturers have agreed to a deal with California, while others support the Administration's efforts to develop a single national standard.

Did yesterday's news make you wish you could change your testimony in any way?

Senator WHITEHOUSE. No.

Mr. COMER. I will—Senator, would it surprise you to know that a member of your staff reached out last night to one of the automakers who filed in support of the Administration yesterday to state that while you were planning on testifying today that all the automakers didn't support revoking California's waiver, but that you would now have to change your testimony.

Senator WHITEHOUSE. I am not aware of that.

Mr. COMER. Mr. Chairman——

Senator WHITEHOUSE. Nor am I aware of what the position is of the automakers at this stage, as of yesterday, other than that they, I believe, stand by the agreement that they reached with California that would have had stronger fuel efficiency standards. And since they reached the agreement with California, presumably they are not entirely averse to working with states in this area.

Mr. COMER. Mr. Chairman, I would like to submit, for the record, a retracted email with communication between the Senator's staff and an automaker, expressing the disappointment that the particular automaker has signaled support for the President's rule.

Mr. COMER. I think that one thing that has occurred over the past 24 hours is the notion that there are several automakers that do support regulatory certainty. We can't have an environment where every state has its own emissions plan. That is uncertainty to the industry that I think is arguably the most important industry in America, the automotive industry. I know in my congressional district we don't make any cars but we make just about every part for the automotive industry.

So I think it is important that we have one standard. Again, I support the President's proposed rule and look forward to continued testimony. With that, Mr. Chairman, I yield back.

Mr. ROUDA. The chair now recognizes Mr. Gomez for five minutes of questioning.

Mr. GOMEZ. Thank you, Mr. Chairman. I want to first thank Governor Brown for coming out to Washington, DC. I know when I told you I was running for the Xavier Becerra seat, to replace him, you said, "Why would you do that?" But it has been a good experience and we need people back here fighting the fight on a lot of these important issues.

First, on climate change, you have been fighting the fight in California for decades, and you have proven that you can win against large corporations, people who actually denied the science for a long time. We need to get that message here.

But since I have been here, especially on this committee and some other committees, there are members who like to—from the other side of the aisle, of course—like to use California as just a pinata. If it's an issue that doesn't even deal with California, they will find a way to bring California in and say how bad we are, and then go back to the topic that they are discussing. It is an interesting process that they do.

But I want to just give you an opportunity to address some of these questions. My colleague on the other side of the aisle said he think it is preferable for a national standard. Can you give us some input on why it is not preferable, or why California has taken these actions for so many s and decades, when it comes to setting our own standards?

Mr. BROWN. Look, it is perfectly clear there is not just one marketplace called America. There is something called Planet Earth, the globe, and the biggest car market of all is China. China has standards that are tougher than California's, and Europe has standards that are equivalent. So this idea that you are going to get one standard is a complete canard. There are the standards of China, California, and Europe, and then there's what Detroit, some of what Detroit wants.

This is not a new story. The same auto association, including General Motors and Chrysler, sued California and Vermont on the very same topic that they are now fighting in court as of today, and they lost. They lost in Vermont. They lost in California.

But look. Let's stand back and look at the big picture. It is not the little hijinks today in this chamber. We are talking about the future of your children, your grandchildren, and humanity. This is serious stuff. And it is not just Democrats or liberals. The National Academy of Science, in Britain, in France, in Germany, in Russia, in China, they all agree that climate change is occurring, it is human induced, and it is damn dangerous, and the parts per million are growing every year. This is a crisis that Washington has to wake up to.

Now I don't know why the Republican Party has chosen a flat-earth approach and denies science. This is going to affect their kids too, and all I would say is we have a standard, the bigger standard called China, and California, by the way, is not alone. We have got 14 states, including the District of Columbia, that follows our standard. In the lawsuit, you have got General Motors against us and Chrysler, but we have 22 states that are on our side. In fact,

our standard, that you don't like, you Republicans, it covers 40 percent of America.

And we know what happened. We have seen this movie before. If Detroit wants to ignore the rest of the world they will lose market share. We know what happened in the solar collector, photovoltaics. The Chinese had nothing. Now they have 85 percent. The Chinese are going to have 85 percent of the car industry if Trump and the oil industry get their way, and it is up to you to stop that craziness.

So let's get a standard, but don't get a stupid standard. Get a standard that protects you and your family and the future of this world.

Mr. GOMEZ. Well, thank you. I know I can just ask one question and you will run with it.

[Laughter.]

Mr. GOMEZ. Also I would like to remind people, California, we set up our—the California EPA before the national government. We set up these standards before the Federal Government. So we were actually setting the pace way before anybody else in the rest of the country, and that is because of your leadership at the local level.

Do you believe that—what should we do, besides—like how do you think we should convince some of the folks here? Because in California, on the cap-and-trade program that we expanded, Republicans joined us. How did you get them to come on board?

Mr. BROWN. You really want to know how the Republicans came on board? I will tell you. Their political consultant said Republicans in California were losing popularity, particularly with younger people, and their consultant said, "You need to do something on the environment, and we suggest doing something on climate change." Twelve Republican assemblymen came down to meet with me, and we negotiated, and seven of them ultimately voted, including one senator.

So it was politics but it was good politics, because it is about the future. So that is why that happened.

Mr. GOMEZ. Hopefully the Republicans at the national level will get that message, because I agree with you.

Mr. BROWN. Well, this is very odd. Conservatives in Europe are on the side of doing something about the climate. It is only in America that the Republican Party has adopted, you know, a flat-earth kind of approach, and science will prevail. Science tells us that climate change is real, it is getting worse, and the automobile industry is at least 40 percent of carbon emissions.

So if we just let the auto industry run roughshod over America, we will all suffer, and I don't think that is going to happen. So one way or the other, Detroit will shape up, if only because, in five years, we are going to be buying European and Chinese cars because Detroit is just producing gas-guzzlers that nobody wants, and that would be a tragedy.

Mr. GOMEZ. Thank you so much. I yield back.

Mr. ROUDA. Thank you. The chair now recognizes Representative Gibbs for five minutes.

Mr. GIBBS. Thank you, Chairman. I think it is—the facts are that in the last decade or so the greenhouse gas emissions from the United States have decreased about 14 percent overall, and I be-

lieve China is probably the largest emitter of greenhouse gasses and other pollutants. China might say they have got standards but I wonder if their acts and deeds are the same.

You know, if I was a car manufacturer, any business, they need some certainty in the regulations, okay? And if the standards, California is higher than the rest of the country, that creates a problem for them to manufacture cars that people can afford across the country. I believe the SAFE Act, or SAFE Rule, would make it so cars stay more affordable than the other side of the ledger.

The question, I guess, here is are we getting people out of older cars that are unsafe, not as safe as newer cars, obviously, and not as fuel-efficient and better for the environment, or are we going to have standards so high, the car prices higher, that people have a tendency to keep their older vehicle that is not safe?

So I guess the question is, you know, what is going on in California? Are we seeing car sales of the newer vehicles rising faster than the rest of the country, or are we seeing people sticking with their old vehicles, or do you see a trend there?

Mr. BROWN. Well, in California we have 50 percent of the electric cars in America.

Let me just get to the real point here. Climate change is real, it is happening, and you and everyone else will recognize that, if not today, in two years, five years, 10 years. We have to get rid of the combustion engine, period. It has got to go. And you can't then sell them to somebody else in another country. They are going to——

Mr. GIBBS. Well, I have got to tell you—I have got to tell you.

Mr. BROWN [continuing]. they are going to have to be recycled.

Mr. GIBBS. This is my time, my time. I tell you, in Ohio, GM closed the Lordstown plant because nobody wanted to buy the Chevy Cruze anymore, and they couldn't make the plant——

Mr. BROWN. General Motors is now making many—hundreds of thousands of cars in Mexico because the people make two bucks an hour.

Mr. GIBBS. Well, you ought to sign the USMCA then. The Democrats ought to ratify the USMCA so we can level that playing field a little bit. That is what we ought to do.

Mr. BROWN. That is one of the reasons that I opposed NAFTA, by the way.

Mr. GIBBS. A question, Governor. Since you have brought up climate change so much and the fires out there in California——

Mr. BROWN. The fires are burning, and you guys are——

Mr. GIBBS. I understand.

Mr. BROWN [continuing]. happy in your air-conditioned room here, but people in California are scared to death.

Mr. GIBBS. My question—let me ask my question, and the question is, since I am not out there I want to hear what you have to say about it. What is the protocol out there? What is the best management practices? What is California doing to try to, best management practice, to try to prevent these fires? Are we managing our forest lands out there and our brush lands, or what are we doing?

Mr. BROWN. That is a very good point. Managing our forests is quite a challenge, and having all these wires up in the—that can create sparks and fires, big problem. In the short term, the climate issue is a longer-term cause. I recognize that. And we do have to

do a number of things on preventative burns, management, thinning out the forests. We have got to do all that. But we are not here just——

Mr. GIBBS. Well, I just——

Mr. BROWN [continuing]. in the day you have got to think of the long-term——

Mr. GIBBS [continuing]. think California ought to be doing that.

Senator Whitehouse, in your testimony you mentioned the use of metadata to determine that portions of the letters sent by the House members may have originated from industry lobbyists. I have an article from 2016, that shows that you and other Senators issued a report which, according to the same type of metadata, you described was written by Earth Justice attorney working on behalf of Sierra Club. Is it okay for congressional documents to be written by an environmental activist, lobbyist, because you, you know, challenged that one is written by the fossil fuel industry?

Senator WHITEHOUSE. Well, I am not familiar with what you are talking about so I am at a little bit of a factual disadvantage with you. But let me say, generally, that I think that there is a significant difference between an industry with a, in this case, $1.7 trillion-dollar incentive to interfere with automobile fuel economy standards and how they go about doing their business, with that kind of an incentive behind them, than with people who are trying to——

Mr. GIBBS. Well, I would say after the story was published——

Senator WHITEHOUSE [continuing]. do good things and deal with their——

Mr. GIBBS [continuing]. it was uploaded with different metadata. So I don't know the credibility of the story.

But I will say, for our fossil fuel industry, they have been working hard to bring down our emissions. I remember when I started driving in the 1970's we got like 12 miles to the gallon. Now my Chevy Impala gets about 30 miles to the gallon. I want to make sure that my constituents can keep affording to buy cars in the future. But if we make the standards so high we could actually go backward. Let's have a common-sense regulatory certainty so our auto industry and our fossil fuel industry can move forward together.

One of the reasons I decided we had decreased our greenhouse gas emissions is because of natural gas, and unfortunately a lot of people in this country think natural gas is bad, and that is one way to get there and how we do that.

I am out of time so I yield back.

Senator WHITEHOUSE. Let's do remember the $8,000 in anticipated savings per vehicle from the fuel efficiency regulations when we are talking about consumer costs as well.

Mr. COMER. Mr. Chairman, I would like to withdraw my previous unanimous consent request.

Mr. GOMEZ.

[Presiding.] Agreed. Without objection, so ordered.

Ms. Ocasio-Cortez, you are recognized for five minutes.

Ms. OCASIO-CORTEZ. Thank you, Mr. Chairman, and I would be remiss if I didn't make note that so many were here to try to adjourn this meeting, and now that this hearing is on, you know, they

didn't need to adjourn this hearing to get out of their jobs. I mean, apparently they were fine to walk out of this hearing when it actually got to the substance of the matter. But I will move on.

Governor Brown, you were in office when the California Air Resources Board set its current tailpipe emission standards. Correct?

Mr. BROWN. Yes.

Ms. OCASIO-CORTEZ. To clarify for folks who may not be aware, the current emission standards for the state of California are higher, generally higher than the Federal Government's. Correct?

Mr. BROWN. Yes. It has been that way for 50 years.

Ms. OCASIO-CORTEZ. So what the Trump Administration is effectively trying to do is to force the state to lower its standards. Correct?

Mr. BROWN. That is the only purpose - it's to make cars more gas-guzzling, less efficient. That is the goal.

Ms. OCASIO-CORTEZ. And, you know, I do have to say, I represent a community—I represent the Bronx, and we have some of the highest rates of childhood asthma in the country. And the prime reason for that is because of how much trucking and dirty cars are forced and contracted to communities that are left behind. You know, when people talk about the cost of a dirty car and how it may be more expensive to upgrade to a cleaner car, it is important that we understand that the cost of a dirty car also includes my nephew's nebulizer. It includes medical costs. It includes the dirt and the grime that builds up in communities that are left behind.

But, Governor Brown, how do Californians feel about the clean car emission standards set under your Administration as a way to combat climate change? What is the public's opinion?

Mr. BROWN. Well, the oil companies, two of them from Texas, put a measure on the ballot just before I was elected this last time, to try to destroy the California rules, the greenhouse gas law, and they lost. They lost by over 20 points. So the people of California fully support this.

By the way, I do want to emphasize your point about inhalers. The asthma rates have never been higher, and they are clearly connected to truck exhaust and carbon pollutants, and we have got to get to zero. California says by 2045 we will be at net zero. That is good for your health. And how can you argue with that?

Ms. OCASIO-CORTEZ. So these cleaner emission standards are overwhelmingly popular——

Mr. BROWN. Overwhelmingly popular.

Ms. OCASIO-CORTEZ [continuing]. with Californians and the state. So I find it quite ironic that Republicans want to consistently invoke states' rights to regulate a woman's body but apparently that is not good enough to regulate a car. I mean, the irony here, and the hypocrisy here is appalling. It is absolutely appalling.

Senator Whitehouse, how do Rhode Islanders feel about the Obama-era clean car rules and the impacts of the rollback and revocation of California's waiver?

Senator WHITEHOUSE. Well, Rhode Island is one of the many states that followed California. As Governor Brown pointed out, there are two groups of states. There aren't different regulations in every state. There are two groups of states, and a considerable

number of us have followed California, and Rhode Islanders very much appreciate that we have followed California.

We have considerable air quality concerns due to being a downwind state from upwind power plants in the Midwest that dump a whole lot of pollutants on us. So we are never going to be able to get to where we completely want to be, but by handling local pollution, by making sure that cars are more efficient rather than less efficient, we have been able to answer some of the health concerns that you identified for your family.

Ms. OCASIO-CORTEZ. Thank you. Thank you so much. I think it is important that we, again, we clarify what is the line here? You know, is this a states' rights argument or not? What is this actually about, because there seems to be zero consistency on how we are implementing and determining what standards we are choosing to enforce and which standards that we roll back. If we care about the true spirit of the states as laboratories for policies that we could potentially make and adopt on a Federal level, than California, I believe, is fully realizing the spirit of that idea. And the idea that we would force a state to regress, not advance but to regress, to actively harm communities, simply does not seem to make sense.

With that I yield the rest of my time, Chairman.

Mr. GOMEZ. Thank you so much. Now I recognize Mr. DeSaulnier for five minutes.

Mr. DESAULNIER. Thank you, Mr. Chairman. Governor Brown, Senator Whitehouse, it is delightful to see you here. I want to just talk a little bit about having been a member of the California Air Resources Board, been appointed by three Governors, two Republicans and one Democrat. And the history of the Clean Air Act, particularly the California Clean Air Act, is a part of that, as Mr. Gomez alluded to, that we had started air pollution before the Federal Government. That is why CARB was created, an amazing institution that attracts really wonderful young people to apply for jobs there.

But that was—our waiver was based on public health analysis and benefits, as a private right of action. We have withstood those because of the wonderful people you and other Governors have appointed. And just the history of this—Governor George Deukmejian, a very conservative Republican, as you well remember, he passed the zero-emission vehicle mandate, which has driven a lot of this technology.

So I want to talk to both of you about the business model, and you alluded to it, Mr. Gomez. California gets 50 percent of all the venture capital in the United States. We get more investment in California for renewables than the other 49 states combined. All of those is driving, as you said, Governor Brown, the fifth-largest economy in the world, and we are transitioning. So as you alluded to, Jeremy Rifkin's latest book about the New Green Deal, makes the argument very compelling that we are going to be left behind.

So my colleagues in the fossil fuel industry, and as somebody who comes from a county with four of the 13 refineries left in California, we need to transition, because as you said, our kids are going to be driving Chinese cars if we don't. When there is a $25,000 battery-electric car, or a fuel cell, that gets over 200 miles

range, the world is going to change. And we are being told by scientists that we are right on the precipice of having that happen.

So when my colleagues argue about hurting the economy, Texas and fossil fuel states will make West Virginia look like a small problem when we transition rapidly in the next 10 years.

So when it comes to renewables, you signed the latest iteration of that, where we went from 20 percent, 25, 30, 33 percent, and then 50 percent. As we transition to renewables and we transition to the mobile fleet, that changes the world and it changes our economy. So to the point that you alluded to, that the Chinese and the EU are going to leave us behind, and this waiver is so important to the American economy, maybe you could just go a little bit further in your perspective of why it is so important economically. We will win on the facts of the legal argument, the science, but what I really worry about, this country is going to be left behind if they don't follow California's lead.

Mr. BROWN. The California waiver is important. It means California can set higher standards. It means that California can be a laboratory of energy innovation, and that is exactly what we have done. Silicon Valley has done that with respect to computers. It is good thing that there is a standard different from the national standard, that is higher and more in keeping with the future.

The only way that the Republicans and General Motors and Trump can be right if is science is wrong. If the National Academies of Science of all the major countries are wrong then Trump and the Republicans are right. But they are not wrong. The academies have told us the truth—greenhouse gasses are rising, the seas are rising, snows are melting, tropical diseases are coming north. We have got to do something. It is going to happen. I am absolutely certain the Republican Party will be on board, whether it be three years, five years, 10 years. They can't deny science forever. It is a temporary deviation that they will retreat from very soon.

But in the meantime, we have got to take action, because all these combustion engines are going to have to be recycled. What we are talking about is not just a little waiver rule. We need a massive—call it what you want—new deal, fair deal, a future deal. We have got to have a President, like Roosevelt, who one day said, "No more private cars. We are going to have tanks." Okay. Somebody is going to say, "No more fossil fuel cars." Now, it is not going to be done in one day, but we have got to get going, and the longer we wait, the more expensive it is going to be.

And I want to say, China is not perfect, but they are moving in a direction more aggressive than America and more aggressive even than California. So we have got to get with the program or we are going to go the way of Detroit in the 1970's.

Mr. DESAULNIER. Senator Whitehouse, just going on back of that, and the use of the tobacco industry's analogy and how they are using dark money, that is what they have to fight on. They can't fight on the science or the economic analysis.

Senator WHITEHOUSE. Well, to your point about the business model, the business model of the electric vehicle is coming in right now at the top of the market. These aren't golf carts. Tesla is at the top of the market. E-tron is at the top of the market. I-PACE

is at the top of the market. They are winning Car of the Year prizes. The Rivian, an American company, is coming in at the top of the market. These are going to be superb vehicles that are going to be highly competitive. So there is a real danger of just losing the gas-guzzler market.

The larger issue is if the gas economy collapses in what many sovereign banks, led by the Bank of England, are referring to as the carbon asset bubble. That is a calamity we would very much like to avoid. And finally, with respect to your question about dark money, the business model of the United States of America has always been that we are a transparent city on a hill, that we are the example for other nations. And right now, dark money is being very corrosive to our democracy and is damaging our status as the city on a hill.

Mr. DESAULNIER. Thank you. I yield back.

Mr. ROUDA.

[Presiding.] Thank you. The chair now recognizes Congressman Peters for five minutes of questioning.

Mr. PETERS. Thank you very much, Mr. Chairman, for holding this hearing.

I just want to take a moment to reflect on what happened here earlier. This Oversight Committee, which I waved onto today to participate, is one of the three committees dealing with impeachment directly. There is a lot of talk about it. Actually, a lot of committees are not dealing with it at all, but this is one. So members of the committee have been downstairs in the secret, confidential chambers, the SCIF, to listen to impeachment testimony, which is part of their job.

It was the effort of the Republicans to come—bring their whole crowd here so that they could shut down this hearing and not hear at all from you two gentlemen. Governor Brown, I want to thank you for being here, and Senator Whitehouse, I know you have other things to do. But they were so interested in making sure we couldn't even hear from you that they took the time to come away from those impeachment hearings, which they complain are secret, to sit and try to shut down this committee.

It strikes me that in the context of this problem, which we describe as the moon shot, the next World War, that it is very difficult to do that by with one party. When you said the Republican Party will be on board, they will be on board, and some of them already are. I think you know in Florida we have a lot of colleagues who see that the streets are wedded on sunny days. They know what is going on. But the level of effort to try to defeat this hearing, even the truth for coming out, I think is pretty discouraging.

I want to just also acknowledge that some of the car companies are on board too. We talk about the automobile industry as though it is monolithic, but Honda, Ford, Volkswagen, and BMW, they are enlightened enough to come on board with California to say, listen, we know that to compete, to maintain our market share, we need fair rules that pull us all long, and I think that deserves to be pointed out too.

Governor Brown, last time we spoke we were in the Vatican, and we were speaking to the Pontifical Academy of Sciences about the importance of this issue. I also want to acknowledge that in addi-

tion to being joined by members of the Committee faith we were joined by members of the evangelical faith, who know that saving God's creation is an imperative. And recent reports from the New York Times and other outlets have explained how young evangelicals are leaving the Republican Party over values issues. They don't like the separation of families, they don't like things like the Muslim ban, and they don't like the Republicans, the kind of thing we saw today on climate change. So the truth is coming our way.

But I want to ask one specific thing, because the thing that I think you hear often from our colleagues is you can't have a clean environment and a prosperous economy. I want you to talk a little bit about what we have shown in California about that, and also maybe reflect a little bit on your training as a Jesuit, as to why this is a moral issue as well as an economic issue.

Mr. BROWN. Well, those are two separate issues——

Mr. PETERS. You have got a minute each.

Mr. BROWN [continuing]. and the theological. Let me start with the mundane first. Let's understand what an economy is. The economy is just a gross measure of whatever is going on. It is the measure of transactions that are economically significant. You can sell horse and buggies. You can sell gas-guzzling cars. You can sell electric cars. There are initial costs, that is true, that you have to have up-front costs. But you can run an economy on solar as well as you can run it on oil. The only difference is that oil generates carbon emissions, and we know that carbon emissions have to come to a halt, at least a net zero. We have got to get there. You may have some from medicine and whatever, but California says by 2045 we are going to be at net zero. I hope that is fast enough.

I don't see how this country is going to get there, or the world, but we have got to get there. And when things really get bad, people will get going. But then it is going to be a lot more expensive.

So our economy, by the way, in 2010, the unemployment rate was over 12 percent. Now it is down to four. The GDP was $2 trillion. Now it is up to $2.8 trillion, even though we have the toughest car regulations, the toughest appliance standards, and a cap-and-trade program. That doesn't stop you, because innovation and investment can generate the wealth.

By the way, Detroit did a very good job at building cars in the 1970's that people didn't want, and so the Japanese came in and grabbed 20, 30 percent of the market share. That is going to happen again. Now, I am not saying China has it all right, but they do have a strategy to go to electric cars, hydrogen cars, and if they put all the money into that and we don't, we will be importing foreign cars. That would be a tragedy.

In terms of the theology, the Pope did say, at the Vatican, at that Pontifical Academy meeting, that the web of life, the mysterious interconnection of all living things, we are a part of the environment. We are not over here and the environment over there. We are part of all creation, all the species. If we systematically destroy the other species, we destroy ourselves, and that is what the Pope is saying. Also at that meeting we talked about the effect of health. Health is affected by auto exhaust, it is affected by a rising sea, whether it is in Bangladesh or New York City. It is happening. It

may not happen on the time scale of running for election, but it is going to happen on the time scale of people living in this room. All I can say is wake up. Get responsible. Yes, it is theological. It is also economic.

Mr. PETERS. Thank you, Governor. I yield back.

Mr. ROUDA. Thank you. The chair now recognizes Congresswoman Eshoo for five minutes of questioning.

Mr. ESHOO. Thank you, Mr. Chairman, for the legislative courtesy of allowing me to waive onto the committee today. I came here to welcome both Governor Brown and Senator Whitehouse. Thank you for traveling across the country, Governor, and one of my all-time favorites from the Senate.

I want to say to you, Mr. Chairman, that I admire your sense of dignity, and that I think that Chairman Elijah Cummings would be proud of you and how you conducted yourself this morning. You know, this is a place that really should be all about enlightenment, and anyone that wants to delay, upset a hearing on what is challenging our entire plant, that, in and of itself, says something about those that would do it.

Some observations. First of all, in California the Clean Air Act allowed for states to come up with their own plans. In another life, when I was on the board of supervisors, I represented San Mateo County on the Bay Area Air Quality Management District Board. California's Clean Air Act was tougher than the Federal Clean Air Act. I remember Henry Waxman, when I got to Congress, said, "How do you know so much about this?" I said, "Well, this is what we had in California. I helped to implement it."

And I think it is so important to recognize, in America—what kinds of choices our country was making. Detroit was making automobiles that were the equivalent of driving your living room around, and the fuel average was, I don't know, 10, 15 miles a gallon. I remember my father saying, "Who is going to give—these are comfortable cars," until he started saving gas at the pump, and he understood how important that was.

So I think, more than anything else, the two of you are speaking about our collective future. We have people that are looking in the rear-view mirror and think they see the future. And this split between Honda, Ford, VW, BMW, and those that weighed in on Monday, those that weighed in on Monday are the leftovers of yesteryear. They are the front men, I think, Senator Whitehouse, they are the beard for the oil industry. That is what is going on, because this is a set of bookends between what Governor Brown is saying and your testimony. I think it is very clear to me.

What advice do you have for us in terms of action? Should we be doing an amicus brief on this, with, you know, the most salient issues in this? Clearly California has the right to set its own standards. We have been successful in doing it. And as you said, there is a theological case, there is an economic case, there is—humankind is on the front lines in this if we don't take action and do what we should do. Tell us what you recommend that we do?

Mr. BROWN. Well, I would recommend bringing over Chinese regulators and European regulators, and asking them, what are their standards? Are they what the Republicans want? Are they this watered-down Trump national standard or are they more in line with

California? I think that would be very illuminating, and I would invite my Republican friends to interrogate the Chinese, and ask them, "Do you have the biggest auto market in the world?" Yes. "Are you doing standards that are closer to California?" Yes. Then ask them if they will change their minds and listen to Trump, and I doubt it very much. And if they are not going to change their mind, the American auto industry is in great danger, because the European and Chinese market is so important to their survival. They have got to make it, and you can't fight city hall. You can't fight the world. And the world is not Trump and the world is not General Motors. The world is not oil companies. They are important, but they are going against——

Mr. ESHOO. But history—yes, history is going to repeat itself, because American automobile manufacturers are going to lose market position.

Mr. BROWN. They are.

Mr. ESHOO. There is no doubt about it. And we are going to make fools of ourselves by doing so. But I appreciate your recommendation.

Senator Whitehouse, on the dark money, on the oil industry and the nexus, the very important, really chilling nexus that you have drawn for us today, what do you recommend?

Senator WHITEHOUSE. There are two very good avenues for Americans to discover what Paul Harvey used to call "the rest of the story," because they are not getting the whole story right now. One avenue is litigation going forward. As the California rule gets litigated, as various other lawsuits proceed, there is something wonderful called discovery, where you get to get the actual documents from the industry.

The tobacco industry's campaign of lies fell apart not after they lost the cases in court. They fell apart after discovery was provided. By the time they lost the cases in court, the game was really already over. So discovery, discovery, discovery is one very important vehicle.

The second is you all have gavels. You can get these documents yourselves. You can request them, and if the companies don't cooperate you can subpoena them. I am aware of no legal privilege that protects dark money. It just isn't required to be disclosed. But there are some very, very interesting questions that could be asked about the behind-the-scenes, behind the curtains connections that will show America the rest of the story.

Mr. ESHOO. Thank you, Mr. Chairman, again, for allowing me to waive on, and thank you, Governor Brown. There is one word that has—that is synonymous with the greatness of California—Brown, your father and yourself. Thank you.

Mr. ROUDA. Thank you. The chair now recognizes Congressman Levin for five minutes of questioning.

Mr. LEVIN. Thank you, Chair Rouda, for convening this hearing today, and I especially appreciate that you have invited members not on the Oversight Committee to participate.

The Trump EPA's efforts to undermine the Federal and state status quo on auto emissions are a disaster, and unfortunately they are typical for this Administration that is putting polluters first. In this case, the EPA's actions are even more egregious than usual—

that is saying a lot. The transportation sector is the Nation's largest source of carbon emissions and the standards that the EPA is working to undermine were created with the support of industry, labor, environmentalists, and many more.

Governor Brown, I am so grateful for all the work that you have done for the state of California, for many, many years, and it is great to see you here. As you know, California has a long bipartisan history of support for cleaner air and for dealing with greenhouse gas emissions. President Reagan, as Governor of California, created the California Resources Board. President Nixon created the EPA and signed the Clean Air Act into law, and it goes on and on, in decades since, in California. It is just unfortunate that President Trump and his Administration insist on undermining decades of bipartisan progress.

Unfortunately, this has a tangible impact on every Californian and on every American. A study from Stanford University found that if we don't take substantial action to address the climate crisis it will cost the U.S. economy $25 to $35 trillion. So there is a lot of talk about the costs of action.

How about, for just a moment, talking about the cost of inaction—$25 to $35 trillion. And the impacts will be spread around the country. By 2090, the damage to coastal property alone will cost $120 billion per year. That will be in places like the Gulf Coast. Lost labor productivity, driven by higher temperatures, will cost $155 billion per year. That is anticipated to hit the South and Midwest the hardest, in states like Ohio and Kentucky. And deaths from extreme temperatures will cost $140 billion per year, especially in hot places like Arizona and in my home of Southern California.

Governor Brown, in California we have already experienced wildfires, made more extreme by the changing climate, and they have cost the state's economy a lot of money and tragically taken the lives of residents. We are even seeing that today and this week. You have called the fires, quote, "the beginning," and also, quote, "only a taste of the horror and the terror that will occur in decades." Governor, can you expand on these comments?

Mr. BROWN. Yes. The horror is that the world that we take for granted, and that has allowed civilization to be and to flourish, and the species that constitute the web of life to flourish, all of that is under threat from a changing climate. The fact that we have 7 billion people on the planet, there are 100 million cars, and then we go to 200 million, and we have got coal mines, and all the rest of it, it is changing the world. The world, when you had people running around in loincloths, with half a billion people, that is one kind of world.

We are, through our technology, creating wonderful prosperity, but the dark side is the destructive fallout of our technology, and we have got to transform. We have got to change it. If we don't, the seas will rise. Well, one thing, greenhouses gasses are 405 parts per million right now. That is the highest—the last time it was that high, the sea level was over 30 feet higher. That means that could happen again. You can say goodbye to parts of Florida, parts of Southern California, and New York City. This is real.

Now, I guess the Republicans say, "Well, don't worry. It is not going to happen on my watch." I remember a guy from one of the utility companies, after a fundraiser for me, he had a couple of drinks, and he walked out and he said, "I hope this damn nuclear plant doesn't go off during my watch." You know, we had all had a few drinks that night and we didn't take it too seriously.

Well, we don't want the climate change to go off on our watch, because you can't change the climate. When it is cold out here, you can't make it warm. Pretty soon the extreme events will be occurring, and who will suffer most? Poor people. The rich people will buy their little air-conditioned bubble and all the rest of it. But this will exacerbate the inequality, exacerbate the migrations of the world, make war more likely. It is not pretty.

The people who do this now, to stop what is right, this will be on your conscience. Blood is on your soul here, and I hope you wake up, because this is not politics. This is life. This is morality. And there is no—I would like to resort to a little bit of obscenity here, because it irritates me. This is real, and if we are wrong, prove we are wrong, but if we are right, get on board.

Mr. LEVIN. Governor, I have nothing else to say. I can't follow that. I will yield back my time.

Mr. ROUDA. Thank you. The chair now recognizes Representative Gomez for one minute.

Mr. GOMEZ. Thank you so much, Mr. Chairman. First, Senator, you made some very good points regarding the dark money. We had some presentations in the Subcommittee on Civil Rights and how a lot of these think tanks have been promoting just false science to undermine the credibility of trying to deal with this important issue.

Governor Brown, a lot of another attack that my friends on the other side of the aisle bring up, they say innovation will solve the problem. Innovation, right, like innovation comes out of like thin air. Can you really have innovation without need, without policy goals, without like—because the Republicans always say innovation will solve the goal. Like, you know, companies just innovate all the time without other people having some kind of impact on their trajectory.

What are your thoughts about that?

Mr. BROWN. This is the point that a lot of benighted folk can't get. Rule, law, can drive innovation. The California Air Resources Board has been driving innovation for 50 years, since the time of Nixon and Reagan. And the innovation is—well, I will give you one example. Fifty percent of the cars in America are in California, because of our rules. The more efficient light bulbs are now being bought all over America, because of the rules.

Now the market is big and profoundly important, but rules can drive innovation. And, yes, innovation, and, yes, innovation will occur. But we want to invest in the innovation like other countries are. So let's get with it.

By the way, this is not cheap—this is trillions—and it is not going to be done overnight, but we have got to get with it. The longer we wait, the more expensive it is going to be, but sooner or later we are going to do it. If we wait 30 years, you will be building sea walls in Miami and New York City, San Francisco, and Santa

Monica, and those sea walls—well, you are going to build them anyway, but they are going to have to be taller and more expensive.

This money saved. Invest in reducing our carbon emissions as close to zero as possible, as soon as possible. You will create jobs, you will protect health, and you will not further exacerbate the inequality of more pollutants going to poor kids.

Mr. GOMEZ. And California's budget—balanced?

Mr. BROWN. California's budget—I have to say something. California used to have a $27 billion deficit. It now has over a $20 billion surplus. We did that.

Mr. GOMEZ. So you can protect the environment——

Mr. BROWN. I won't tell you how we did it.

Mr. GOMEZ [continuing]. and grow the economy, and then have a balanced budget, something that we can't do here at the Federal level.

Mr. BROWN. Here is the problem. Look, rules do create burdens in the short term. They do. When the car came along, the buggy whip business went out of business. You know, it didn't work. Where I live is where my grandmother was born. It was a stagecoach stop, and a very vibrant hotel. Okay? Why? Because horses—you had to get a change of horses to go up the hill. When the car came, the stagecoach stopped and went out of business. The fossil fuel car is going to go out of business too. Let's get with it, proactively, and plan it, so we have a transition that is benign and will be harmonious and work for all of us.

Mr. GOMEZ. Thank you so much. Mr. Chairman, I yield back.

Mr. ROUDA. Thank you. The chair now recognizes myself for five minutes of questioning.

Senator Whitehouse, I want to talk about dark money. You pointed out in your testimony about the unbelievable amounts of money that come into campaigns from the fossil fuel industry and the automobile committees. Is it safe to say that while many politicians recognize the science, recognize what needs to be done, have failed to take the appropriate actions simply because they are receiving dark money and soft money into campaigns and issues that they support?

Senator WHITEHOUSE. I was elected to the Senate in 2006. I was sworn in in 2007. In 2007, in 2008, and in 2009, we had multiple bipartisan climate bills being worked on in the Senate. There was, in fact, bipartisanship, and quietly, I can tell you, there still is.

But in 2010, the Citizens United decision came down, which allowed unlimited money into politics, and it took the fossil fuel industry and other powerful interests about one second to figure out how to make that unlimited money unlimited dark money. That gave them two powers—one, the power to actually spend it, either for people, shoring them up, or against them, attacking them, particularly taking them out in primaries, as your former colleague, Bob Inglis, experienced. It also allowed them to make threats and promises that they could never have made before, and that threat or that promise is never going to be public, and that is the danger.

As much as the spending of the money is a danger, as much as the hiding of the hand who is spending it is a danger, the threat,

which is always going to be secret, is probably the most corrupting danger of all.

Mr. ROUDA. Right. Citizens United, which recognized that corporations are people too, I often ask people how many folks out there have ever held hands with a corporation or made out with a corporation, and you would be surprised. I haven't met any that have met that definition.

Let's move a little bit to standards. Governor Brown, you talked about the standards in California being followed by Europe and Canada, I believe, as well. Different standards in China. And what is interesting, we are talking here about California standards but it is not just California standards. Thirteen states and the District of Columbia follow these standards, which represents well over a third of the population of the United States. We are talking major metropolitan areas that would be directly impacted by the rollback of these regulation and a substantial increase in their air pollution.

So I just want to fair warn the good people of Denver and Hartford and Wilmington and the District of Columbia and Baltimore and Boston and Newark and New York; Portland, Maine; Portland, Oregon; Philadelphia; Providence; Burlington; and Seattle, and many, many more, get ready for a lot more dirty air due to the Trump Administration and the Republicans who support this rollback.

But as we know, the air doesn't stay in those cities, does it, Governor?

Mr. BROWN. No. It spreads.

Mr. ROUDA. That is right.

Mr. BROWN. It spreads all over, and that is why this is a health measure and it is also an equality measure, because poor people are getting the biggest pollutants, and that is an environmental justice issue.

Mr. ROUDA. This narrative that there should be one standard is false on its face, by the sheer fact that there are multiple standards around the world, all of these auto manufacturers are delivering cars around the world. Is that correct?

Mr. BROWN. Yes, and there is one point—I want to make it very clear. The electric car, the hydrogen car, or you might generally say zero-emissions vehicles, is the wave of the future. When Volkswagen came in to pay their big fine, because of that diesel scandal, the managing director of Volkswagen sat in my office in Sacramento and said in seven years the electric car would out-compete the fossil fuel car. Well, that is probably four or five years from now.

So bring in the Chinese. Bring in the European Union. Find out what their standard is. If the Trump standard is the word standard, well we probably have to go with it, but it isn't. And California is not an outlier. California is aligned with more people, more car buyers, than General Motors and Mr. Trump. So let's get with it. I think it is—I think you should hold a hearing and find out what is the standard for the most cars? I think the Trump standard is a deviant standard, a minority standard, and a standard that cannot stand.

Mr. ROUDA. Senator Whitehouse and Governor Brown, I can't thank you enough for your time here today. I greatly appreciate it. I also apologize for the delay that we had to deal with.

As we are switching witnesses out, please be aware that you may receive additional written questions for the hearing record, and we would appreciate your prompt and thorough response.

Before we take a short recess to switch people out, I would just like to share a quote with you from Winston Churchill. "If we open a quarrel between past and present, we shall find that we have lost the future."

Thank you again, gentlemen, for being here.

Senator WHITEHOUSE. Thank you, Chairman. Thank you to the ranking member.

[Pause.]

Mr. ROUDA. We now welcome our second panel of witnesses, and I appreciate your patience in getting to this point. It took a little bit longer than expected but it is wonderful to have all of you here.

We do have here the Honorable Samuel Liccardo, mayor of San Jose, California; Dr. Antonio Bento, Professor of Public Policy and Economics, Sol Price School of Public Policy and Department of Economics, University of Southern California; Dr. Emily Wimberger, Climate Economist, Rhodium Group; and Dr. Marlo Lewis, Senior Fellow, Competitive Enterprise Institute.

If you could all please stand.

[Witnesses sworn.]

Mr. ROUDA. Please sit. Let the record reflect that the witnesses answered in the affirmative.

As I mentioned earlier, the microphones are very sensitive, so when you speak into it, first of all you have got to turn it on, and then, second, have the microphone very close to yourself.

Without objection, your written statements will be made part of the record. With that, Mayor Liccardo, you are now recognized to give an oral presentation of your testimony for five minutes.

**STATEMENT OF THE HONORABLE SAMUEL LICCARDO, MAYOR, SAN JOSE, CALIFORNIA**

Mr. LICCARDO. Thank you, Mr. Chairman, and ranking member. Thank you for having me here, and to the distinguished members of this subcommittee for considering my testimony.

As the mayor of the city of San Jose?, I serve 1.1 million residents in America's 10th largest city. In San Jose?, and throughout our Silicon Valley, we are in the future business. In the words of the great playwright and San Jose?an Luis Valdez, "The future belongs to those who can imagine it."

For a half-century, the California waiver has enabled Silicon Valley, and 130 million Americans in 14 states, to imagine a future different from the reality of deadly smog that choked Californians for decades. A Republican Governor, Ronald Reagan, signed legislation forming the Air Resources Board in 1967, and created emission standards that survive Federal preemption because a Republican President, Richard Nixon, signed the 1970 amendments of the Clean Air Act into law.

I evoke this history because amid our too-familiar partisan divide on matters of the environment, and perhaps too much else, we

should remember that there is much about which we all can agree. Whether we live in red or blue states, we should all be concerned about what I call the three B's: breaths, breakthroughs, and Benjamins. That is, revoking the California waiver will pollute our air, undermine our technological progress, and cost us money.

First, our breaths. As I grew up in the verdant Santa Clara Valley in the 1970's, I recall "spare the air" days when smog became so bad my teachers wouldn't allow us to go outside to play. Since then, California's pioneering regulatory efforts spurred the adoption of pollution control technologies, such as the catalytic converter, that have reduced the emissions profiles of cars between 75 and 99 percent, statewide, despite a doubling of our population and quadrupling of our vehicle use. This has saved nearly 29,000 premature deaths a year.

Yet we still have much more work to do. The San Francisco Bay Area still exceeds Federal standards for ozone and fine particulates, which are responsible for approximately 2,500 premature deaths each year in my region, and wildfires and warming temperatures will only exacerbate this problem. The situation appears even worse in Southern California, where millions living in the San Joaquin Valley and Los Angeles air basins currently live under what is known as "severe non-attainment" conditions for ozone.

Second, the breakthroughs. Our ability to continue our progress, critically depends on growing adoption of technology, particularly in further development of zero-emission vehicles and the generation of renewable power. Sensible environmental regulation has helped to prod many of Silicon Valley's breakthroughs in green tech, whether Tesla's cars and batteries, Proterra's electric busses, SunPower's hyper-efficient solar panels, or ChargePoint's electric charging infrastructure. Lest you fear that California's environmental regulations impede growth, my own San Jose? metro area has a 2.2 percent unemployment rate, and the highest per-capita GDP of any large metro in the Nation.

More importantly, advances in green tech breed jobs throughout the Nation. Tesla makes batteries in Nevada and solar panels in Buffalo. Proterra manufactures buses in South Carolina. The Chevy Volt that I drive was assembled in Detroit and Baltimore. Yet researchers at the Rhodium Group—and I am glad we have one here—estimated that revoking the California waiver will reduce zero-emission vehicle sales by 78 percentage points by 2035, or about 12 million fewer zero-emission vehicles on the road.

Finally, there are the Benjamins. All of us, Republican and Democrat, agree on the benefits of saving our citizens money, and inefficient vehicles, costs our drivers more to fill up. With the Administration's actions, consumers may pay an extra $2.3 billion by 2030 in my own Bay Area, while Consumer Reports places the estimate nationally at $460 billion, the equivalent of a tax on every vehicle of $3,300 per vehicle. While some argue that greater fuel efficiency will cost car buyers of new automobiles at the dealership, that same technology will save drivers three times more money at the pump.

Breaths, breakthroughs, and Benjamins should persuade all of us of the foolhardiness of weakening emission standards, but the scientific consensus confirms that doing so will also more deeply im-

peril our planet, as you have certainly heard. The tailpipe remains the greatest source of our Nation's greenhouse gas emissions, particularly in sprawling, suburban cities like San Jose?, where 63 percent of our GHG emissions come from transportation. California's standards helped to reduce these emissions, both by improving fuel efficiency, and by incentivizing the purchase of electric vehicles.

The San Jose? metro has higher electric vehicle adoption than any other U.S. city, and 80 percent of the electricity supplying our grid and charging our electric vehicles is greenhouse gas-free. San Jose? is reducing its transportation-related greenhouse gas emissions, but we have a long way to go to meet the Paris goals. In the words of the esteemed philosopher, Kermit the Frog, "It is not easy being green," and the Federal Government shouldn't make it any harder.

Thank you, Mr. Chairman.

Mr. ROUDA. Thank you, Mayor Liccardo.

Dr. Bento, you are recognized for up to five minutes for your opening statement.

**STATEMENT OF ANTONIO M. BENTO, PROFESSOR OF PUBLIC POLICY AND ECONOMICS, SOL PRICE SCHOOL OF PUBLIC POLICY AND DEPARTMENT OF ECONOMICS, UNIVERSITY OF SOUTHERN CALIFORNIA**

Mr. BENTO. Thank you, Chair Rouda, Ranking Member Comer, and distinguished members of the subcommittee, for giving me the opportunity to testify on this important matter today.

For the past two decades, I have written on topics related to the design of climate change mitigation policies, and examined, for the most part, the efficiency, distributional, and environmental impacts of a variety of policies, including the fuel economy standards.

Directly related to today's hearing is a recent study published in Science magazine, "Flawed analyses of U.S. auto fuel economy standards," that I have co-authored with a group of distinguished scholars last December, immediately following the Administration's proposal to roll back the Clean Car Standards.

The punchline is actually fairly simple. To the best of my knowledge, the 2018 Notice of Proposed Rulemaking relied on models that have fundamental flows and inconsistencies, are at odds with basic economic theory and empirical studies, and for the most part, the analysis is misleading and doesn't improve on the estimates of the costs and benefits of clean car standards beyond those of the 2016 analysis.

In sum, to the best of my knowledge, given the substantial departure from a comprehensive protocol for benefit-cost analysis, my overall conclusion is that the rollback of the clean car standards will not only not produce any welfare gains, but instead would result in rather serious, unintended effects. These include increases of greenhouse gas emissions; increases in local air pollution; a defacto penalty on automakers who have been leaders in technological innovation. And, of course, many of these impacts, in particular those related to the deterioration of air quality, will be felt in California, especially in Southern California, in the Los Angeles metropolitan area, with severe health impacts.

Let me now get into some of the details. When we started the study in the Science paper, part of the motivation was the fact that there were absurd differences in the cost and benefits calculations for the 2022 and 2025 standards, as calculated in the 2018 NPRM, in relation to the 2016 analysis.

Let me be specific. For the fuel economy standard, for example, the 2016 review found a net benefit of $87.6 billion, while the 2018 analysis, while the 2018 analysis, under the Trump Administration, for the exact same standards, now finds a loss of $176.6 billion. Now, one should note that these are non-trivial differences.

It is important for us to ask the question, what explains these major differences? In my testimony, I alluded to what I would call misguided parameter choices, including, in particular, the scaling down of the social costs of carbon from $48 per ton to $7 per ton. The argument used by the Trump Administration was that we should only account for the domestic benefits of reducing greenhouse gas emissions. However, and to the best of my knowledge, there is really no scientific reasons to make these parameter choices.

Now, in addition to incorrect parameter values, there are fundamental flaws in the modeling exercise conducted by NHTSA and the EPA, and those relate to the integration of the new and used car markets. Of course, the integration of those markets are very important, because in response to standards, individuals may substitute toward user vehicles. Therefore, the modeling of the interactions of the two markets is first order, and, of course, it determines not only the projection of the total fleet size but also the resulting prices of vehicles, as well as all the external costs, including safety, greenhouse gas emissions, and energy security.

Now in our Science paper we actually noted that when we correct for all those flaws, we demonstrated that at least $112 billion was disregarded in the 2018 analysis. Further, for the rollback to have negative effects, one only needs to reduce the 2018 technological costs by 26 percent. Now the interesting fact is that this is still double the technology costs under the 2016 analysis.

So, in conclusion, as far as I can tell, there are no economic reasons to justify the proposed rollback. Thank you, Chairman.

Mr. ROUDA. Thank you, Dr. Bento.

The chair now recognizes Dr. Wimberger for five minutes of opening testimony.

**STATEMENT OF EMILY WIMBERGER, CLIMATE ECONOMIST, RHODIUM GROUP**

Ms. WIMBERGER. Thank you Chair, Ranking Member, and distinguished members of the subcommittee. Thank you for sticking around. My name is Emily Wimberger, and I am economist at Rhodium Group, which is an independent firm whose research supports decisionmakers in the public, corporate, and nonprofit sectors. Prior to joining Rhodium, I was the chief economist at the California Air Resources Board. Thank you for allowing me to testify today.

To understand the impact of revoking the California waiver, I will first start by discussing EPA's 2018 proposal to freeze green-

house gas emissions and CAFE standards, as have been discussed previously, at 2020 levels, through 2025.

In May of last year, Rhodium estimated the impact of this proposal in an analysis based on our annual Taking Stock Report, which is an independent assessment of U.S. greenhouse gas emissions and progress made toward achieving the country's climate goals. The analysis found that freezing standards at 2020 levels would increase U.S. oil consumption by 252 to 881,000 barrels per day in 2035, and that purchasing this oil would cost drivers an additional $193 to $246 billion between 2018 and 2035.

What does this mean in terms of emissions? Well, by 2035, U.S. energy-related carbon emissions will be 32 to 114 million metric tons higher if CAFE and greenhouse gas emission standards are frozen at 2020 levels. For context, this represents about two to six percent of total transportation emissions in 2018 in the U.S.

Now on to the waiver. In September, the Trump Administration announced that it was evoking California's waiver which allows a state to set its own standards for new motor vehicles. The specific waiver now under fire was issued by EPA in 2013, and outlined greenhouse gas standards for model years 2017 through 2025, as well as amendments to the zero-emission vehicle, or ZEV, regulation, that requires auto manufacturers to offer a specific number of zero-emission vehicles for sale.

Section 177 of the Clean Air Act allows other states to adopt California's standards as their own. As we have discussed earlier, to date, 13 states and the District of Columbia, home to roughly 30 percent of U.S. auto sales, have adopted all or part of California's regulations. So the impact of revoking California's waiver goes well beyond the Golden State.

To understand the potential of revoking the waiver, earlier this month Rhodium Group updated our May 2018 analysis to capture the impact of revoking the waiver and ending California and S. 177 states' ability to set ZEV sales requirements for automakers. Relative to the existing standards, we estimated that when layered on top of freezing the CAFE and greenhouse gas emissions standards at 2020 levels, that revoking the waiver will lead to 12 to 14 million fewer ZEVs on the road by 2035. In our modeling, roughly three-quarters of the ZEV sales lost are attributed to the weaker fuel economy and greenhouse gas emission standards nationwide, while the remainder is due to the rollback of the ZEV programs in California and S. 177 states.

Our estimates also show that revoking the California waiver will increase greenhouse gas emissions. From 2020 to 2035, we estimate that rolling back the greenhouse gas and CAFE standards and revoking the California waiver could increase emissions by over a gigaton, a very large number.

So I think there are really three main impacts to revoking the California waiver. First, it creates uncertainty for automakers as to which greenhouse gas standards will be in force in the coming years. In September, California, along with 22 other states and three cities, filed a Federal lawsuit against the Trump Administration, challenging the decision to revoke the waiver.

At the same time, California is embroiled with the EPA and Justice Department over the state's discussions with automakers about

voluntary actions that could circumvent the proposed rollback. And just yesterday, another group of automakers further escalated this fight, siding with the Trump Administration. I think we are in for quite the lengthy legal battle.

Second, as I stated, revoking the California waiver could have a meaningful impact on the U.S.'s ability to reduce greenhouse gas emissions in line with the goals of the Paris agreement. As outlined by our analysis, rolling back the fuel economy and greenhouse gas emission standards and revoking the waiver could result in up to 14 million fewer ZEVs on the road by 2035, and an increase in emissions over a gigaton, from 2020 to 2035.

Last, and most importantly, revoking the California waiver will adversely impact air quality in areas of the country that do not currently meet Federal health-based air quality standards. In California, where nearly 20 million people live in extreme non-attainment areas and suffer from unreasonably high rates of asthma and cardiopulmonary disease, the waiver is a critical component to the state's ability to meet Federal standards. Revoking the California waiver will put vulnerable Americans at increased health risk at a time when the impacts of climate change are exacerbating air quality challenges.

Thank you.

Mr. ROUDA. Thank you, Dr. Wimberger.

Dr. Lewis, you are now recognized for five minutes for opening testimony.

**STATEMENT OF MARLO LEWIS, SENIOR FELLOW, COMPETITIVE ENTERPRISE INSTITUTE**

Mr. LEWIS. Thank you very much, Mr. Chairman, Ranking Member, and distinguished members of the committee. I am Marlo Lewis and I am testifying today on behalf of the Competitive Enterprise Institute.

About one month after the SAFE Rule was proposed, the Washington Post ran an expose claiming, or insinuating, through the mouths of experts, that the rule is a plan to doom humanity to a future of planetary ruin, and I quote from it. "Last month, deep in a 500-page draft environmental impact statement, the Trump Administration made a startling assumption. On its present course, the planet will warm a disastrous four degrees Celsius by the end of the century," unquote.

Actually, there was nothing startling about that. Four degrees of warming is what you get when you run EPA's climate policy model, called MAGICC, with an assumed climate sensitivity of three degrees Celsius, and a blend of the U.N. Climate Panel's two higher emissions scenarios, called RCP6 and RCP8.5. With minor technical updates, the Trump document simply used the same methodology as the Obama Administration to model the climate effects of its standards. It was necessary to do it this way in order to have a genuine apples-to-apples comparison between the Trump policies and the SAFE Rule.

What the Trump analysis actually showed is that replacing the Obama mileage standards with the SAFE Rule would have vanishingly small impacts on greenhouse gas emissions, global temperatures, and sea level rise. Specifically, compared to the

Obama standards, the SAFE Rule would add an extra three-thousandths of one degree Celsius to global average temperature, and six millimeters to sea level rise in 2100. Three-thousands of one degree is 27 times smaller than NOAA's margin of error for measuring changes in global average temperature.

So the additional warming from the SAFE Rule would literally be undetectable. That miniscule warming increment would make no practical difference to weather patterns, coastal flooding, polar bear populations, or any other environmental condition that people care about. In short, the policy change affected by the SAFE Rule is climatologically irrelevant.

What the Post did not mention is the Department of Transportation's estimates that the SAFE Rule would avoid $250 billion in auto industry compliance costs, $190 billion in auto fatalities and injuries, $2,340 in average higher vehicle costs in 2025, and I quite agree with Mr. Bento that modeling of this sort is always very dubious. However, if the SAFE Rule achieves only 10 percent of those benefits, or just makes new cars more affordable to low-and middle-income households, the rulemakes good sense, for two reasons. First, new cars are safer, cleaner, and more fuel efficient than older vehicles. Second, as just discussed, sticking with the Obama standards would have no discernable climate benefits.

Most of my written testimony deals with the SAFE Rule's preemption of California standards. To briefly summarize, the Nation's fuel economy statute, the Energy Policy Conservation Act, prohibits states from adopting or enforcing laws or regulations related to fuel economy. California's standards are directly and substantially related to fuel economy. Consequently, the SAFE Rule voids the standards, and, more importantly, it returns California to its pre-2009 status as a stakeholder, rather than a decisionmaker in fuel economy regulation. That is a big institutional reform and it will help ensure that EPA and the Department of Transportation, going forward, give due consideration to the potential adverse impacts of fuel economy standards on vehicle affordability, consumer choice, and occupant safety.

Thank you very much.

Mr. ROUDA. Thank you, Dr. Lewis. The chair now recognizes Congresswoman Tlaib for five minutes of questioning.

Ms. TLAIB. Thank you, Mr. Chairman. Thank you all so much for being here. Toxic chemicals in the air don't care if you are a Republican or a Democrat. They affect our ability to breath regardless of our politics. The human body needs clean air, clean water to survive, regardless of who you voted for in the last election. So every person, regardless of their party affiliation or political participation, wants to live in a clean environment that doesn't endanger their health.

So it is not a surprise that 13 states and the District of Columbia, states run by both Democratic and Republican Governors, have adopted California's more stringent emission standards in an effort to protect their residents' health. It is only a surprise that more states haven't joined them.

So, Mayor Liccardo, as the mayor of San Jose, is air pollution a problem for your city?

Mr. LICCARDO. Absolutely, and we know it is a problem when we see much higher rates of asthma in low-income communities in the eastern part of my city, where we know there are neighborhoods built closer to freeways. We know it is directly resulting from transportation, particularly automobiles. And despite all of the progress we have made, we know we have much, much longer, farther to go to prevent premature deaths and unnecessary cases of asthma, as we are seeing, particularly in low-income children.

Ms. TLAIB. Mayor, talk a little bit about how you have been able to appeal to some of your Republican colleagues to work on this issue.

Mr. LICCARDO. Well, in California, the geographic alignment of partisanship is such, as you probably know, that much of the Republican base lives in the Central Valley, where some of the worst air in the country is. So they get it. They get it because their residents breathe it every day, and they understand the imperative for the health and safety of their own residents.

Ms. TLAIB. You know, and I want to thank—I mean, both you, Mayor, as well as Dr. Wimberger. It should come as no surprise that the subcommittee—to the subcommittee that if we don't work together to tackle these issues, the only real winners here are the large corporations such as Marathon Petroleum in my district. The real losers are the families I represent in the communities.

I go into these classrooms and, you know, the second-and third-grade classrooms, to read, you know, Grace for President, and at the end I try to explain what my job is. Before I begin I just ask, "How many of you all have asthma and have a hard time breathing?" and a third of the class will raise their hand. I tell them my job is to protect your air so that you can breathe. The kids are like, eyes wide open. I said, "Sometimes it is really hard, right?" and they said, "Yes."

I tell them that, you know, we can probably get in there and try to clean the water, and provide clean water, but we can't do that with air. And these second-and third-graders, sometimes I wish they could be in this room and make these decisions, because, you know, they know what is right and they know—they don't have any kind of political strategy behind it. They just know it is the right thing to do.

I want to really emphasize that, you know, oil refineries will be one of the greatest sources of pollution as a result of these car efficiency rollbacks. One of the things that we noticed in the last—just yesterday, in my district, air monitoring was deployed in Detroit neighborhoods near a Marathon refinery after a fire occurred overnight.

This is, literally, the third time this year that Marathon has an incident that has raised alarms in the community, and these are toxins that go, right? We have already breathed them in. And, interesting enough, there is not any kind of enforcement. They have 21 days to kind of address it, but we have already breathed it in. So there is not an accountability at all to prevent my folks from breathing in dirty air. There are families in my district that have respiratory issues and high rates of asthma, and then even cancer, where, in their family, they have never had cancer in their families.

And I will always say this, and I will continue to say this. If people really want to see the real-life impacts of regressive environmental standards, if they really want to see real-life results of what doing nothing on climate change looks like, they look no further than my district. We are front-line communities of what doing nothing looks like. It is so awful that when I was a little girl—and Chairman knows this; he came to my district—I used to think that smell was normal. I used to think the hydrogen sulfide is normal. In Wayne County, the community I represent, hasn't met sulfur dioxide standards in the last 10 years.

It is really, for us, this sense of urgency. So I want to really commend the chairman for bringing this forward, and I hopefully will continue to work with him in trying to address this important issue. Thank you.

Mr. ROUDA. Thank you. The chair now recognizes Representative Gibbs for five minutes of questioning.

Mr. GIBBS. Thank you, Chairman. I guess sometimes I think we co-mingle this. We are talking about climate change and we are talking about asthma and particulate matter, and I didn't know carbon caused asthma. I mean, maybe it does and I don't know that. But I would say in the Central Valley you get that inversion thing going on, and if we could get more cars converted to CNG and fuel cells and, you know, whatever, I am all for that research and I think economics will drive that.

So, Dr. Lewis, do you believe that, you know, that consumers and the economics—if the economics works that is the best way to go, or should government mandate everything?

Mr. LEWIS. No. I definitely think that consumers should be in the driver's seat when it comes to the evolution of the automotive industry. And I have often been puzzled by the enthusiasm for fuel economy standards and mandates, because the same people who advocate those policies are people who say that this is—these are the kinds of cars that people really want. And just being a consumer myself, I know that I don't like pain at the pump any more than anyone else does.

So fuel economy standards actually imply that consumers really don't want—or really do want pain at the pump, or really are not eager to get away from it, and also that automobile manufacturers are not profit-seeking businesses that want to get rich by serving the needs of consumers.

So there is—I think there is a presumption here that many consumers really don't know what is good for them and, consequently, the market signals that we would expect are not getting through to automakers, and that is why automakers have to be controlled for the benefit of consumers who don't know what is good for them. Sometimes this is made based on a calculation of the up-front cost of a very fuel-efficient vehicle versus the reduction in fuel expenditures down the line.

But I think, in part, there is a confusion here, that you are actually looking at a kind of two-dimensional consumer who only has two thing to weigh and balance—the up-front cost versus the later operating expenses—whereas, in fact, every purchasing decision we make, or every expenditure we make, we tradeoff, to some extent, in some way, in our minds, against every other possible use of the

same money. Do we want to spend more money on this car rather than that, or should we use the money to help fund Junior's college education, or little Sarah's music lessons? Or should we use that extra couple of thousand dollars to update our office business equipment at home?

So when people say consumers undervalue fuel economy, in a way they are saying they are overvaluing music lessons, they are overvaluing business success from the home office, and so on. So I think that is—I have never really seen a really good exposition of this.

Mr. GIBBS. So when we have mandated fuel standards, that increase quite a bit, is that—is the consumer more likely to stick with the old car and not maybe upgrade?

Mr. LEWIS. Well, sure. In fact, I drive a 2001 Honda, you know, and I would love to buy a new car, because it would cut my fuel expenses considerably, but I can't afford one. And, in fact, there was a study recently that was flagged by the SAFE Rule that shows that the median-income household can afford new cars which, on average, are going for $36,000, in only one place—metropolitan Washington, DC.—in only one city. For some reason I don't make the cut. I wish I did. But I know that even if I got a car that met the 2017 standards, I would be way ahead, in terms of safety, in terms of fuel expenditures.

And so the SAFE Rule is simply saying, look, let's back off these mandates that are raising the cost of new cars so much that middle-income households can't afford them, and people will actually benefit. There will be—in some cases less is really more, you know. If we don't push the fuel economy standards so high, so fast, people will actually change vehicles to a more fuel-efficient vehicle more rapidly.

And if I could just make one comment about asthma and so on—oh, I am sorry that Congressman Tlaib is gone, but, you know, that was—the 10 years that she mentioned with no enforcement actions really broadly overlaps the Obama Administration. I don't think that is something that you can blame on the SAFE Rule.

Mr. ROUDA. The time has expired. Thank you very much. The chair now recognizes myself for five minutes of questioning.

Mayor Liccardo, are you mad, are you angry, frustrated, disappointed in the Federal Government? Fifty years this waiver has been in place and only now the Trump Administration, with Republican supporters, including those here in this committee, supporting that action. What is that going to mean for the health of your constituents, the mothers and the fathers and the children and future generations? What does this rollback mean to you?

Mr. LICCARDO. With the science, we can predict the number of premature deaths caused by excessive emissions and particulate matter. And yes, absolutely, the CARB standards, under the low-emission vehicle program, absolutely regulate particular emissions, not just carbon. Absolutely regulate evaporative emissions—those are gas vapors escaping from the fuel tank—not just carbon, and those have real health effects today, regardless of what we might think about carbon and its impacts on climate change and our planet in the future.

So as I, neighborhood after neighborhood, experience children who simply cannot engage in daily activities because of asthma, as I see premature deaths, particularly in low-income communities, caused by this kind of air, it absolutely makes me furious. And I agree entirely with the opinion of the ranking member that we need predictability and regulation. I agree wholeheartedly. We have had predictability for 50 years.

Mr. ROUDA. And that is changing.

Mr. LICCARDO. And this Administration is overturning that.

Mr. ROUDA. And this is not unique to San Jose, is it, Dr. Wimberger? This would affect every city in the United States, every resident in the United States, and not just the United States. Beyond as well, correct?

Ms. WIMBERGER. Yes, I wholeheartedly agree. I think it is important to note that in the past 50 years there have been hundreds of waivers that have been approved by EPA for California, ranging on a variety of topics from catalytic converters to check engine lights to greenhouse gas emissions standards. This revoking of the waiver would be unprecedented. It has never happened before. There is not language in the Clean Air Act that specifies how it could be done.

And it really would stymie innovation that we desperately need. Even with the California standards, we know that we need to do more to get within sniffing distance of the commitments that we made under the Paris agreement, and to really embrace and to achieve the ozone standards that we desperately need to in California, where, unfortunately, we do still have millions of Americans that live in non-attainment and extreme non-attainment areas.

So this would really push back innovation. It would take the United States off of the playing field and out of the driver's seat in a world market that is skewing electric. We are seeing that is the way that the global trends are running. Volkswagen just released a presale of their new ID.3 vehicle. It sold out. It is under 30,000 euros. It is not in the U.S. market. They are looking elsewhere for their market because that is where the demand is going in the absence of Federal leadership in the U.S.

Mr. ROUDA. I believe in smart capitalism and good government, and together we can move these things forward. But we have heard a bit of a narrative here that somehow keeping the 2020 standards is beneficial long-term. If you use that argument to its fullest, couldn't you also argue that rolling back even further would actually stimulate the economy more? Do you believe that?

Ms. WIMBERGER. No. I think there's an important point of why we need fuel efficiency standards or why we have vehicle emissions regulations to start. It is because we haven't been pricing pollution correctly. And there is a market failure that we haven't really internalized the cost of not taking action, the cost of these increased asthma cases, the cost of the—the social cost of carbon and seeing environmental degradation related to global warming and increases in temperature. Those are facts that we have not accounted for in the overall pricing.

So to completely ignore that would be to go back and would be to completely erode any progress that we have seen, both on the

air quality front and on the mitigation of climate change. It is not moving forward. It would move us completely backward.

Mr. ROUDA. Thank you. Dr. Bento, you haven't really had a chance to answer many questions here but I know you have heard a lot of testimony and discussions and questions. The mic is yours, to weigh in with any thoughts you have after what you have heard so far.

Mr. BENTO. Well, I think I will have to completely disagree with many of the statements of Dr. Lewis, not surprisingly, because I think for all of us to understand, and building a little bit on the point that Dr. Wimberger just made, every morning when we make our driving decisions we make them based on our private costs—the fuel costs, the parking, et cetera. What we don't realize is that through the process of driving we generate emissions, and those emissions generate costs to our communities, and particularly the most vulnerable communities, the communities that live close to freeways.

And so it is not surprising that those that argue that the SAFE Rule brings benefit, the only way you can bring benefits to the SAFE Rule is if you don't value the benefits that CAFE standards generate in the first place. For example, if you don't believe that greenhouse gas emissions should be valued at the social cost of carbon, as has been advocated by the international community, then, of course, you have no reason to regulate greenhouse gas emissions. The private markets would work perfectly.

If you believe that driving would not farther bring counties out of attainment, as it is the case in Los Angeles, for example, where we have been permanently out of attainment with the ozone standards, and if you don't value the health benefits of bringing those counties into attainment, then, of course, you have no reasons to put in a standard.

My final point relates to also something else that was brought up earlier, which is fundamentally incorrect, which is this idea that the standards are aggressively raising the prices of new vehicles. One needs to understand the following: the vast majority of the increases in the prices of new vehicles that we have seen have nothing to do with the standards themselves. They are actually a result of the fact that consumers demand more and more extras that have to do with the comfort of the car.

In our analysis, for example, we noticed that the standard would typically, by 2025, will raise the price of a new vehicle by about $1,100. In the grand scheme of things, this is actually not a very high value. Now, this idea that by raising the prices of new cars we are going to delay the adoption of new cars and pushing people into used cars is also incorrect, because if the prices of new cars go up, as individuals substitute toward used cars, well, guess what? The prices of used cars go up as well. This is actually a fundamental flaw in the SAFE analysis. If the prices of those news cars and used cars were to go up, the overall fleet shrinks, and actually there is safety gains that you miss when you actually roll back the standard.

So, in sum, I make the point that I have made in the Science paper, and that I conclude with my remarks earlier, which is as far as I can tell there is really no economic reason, no environmental

gain, no greenhouse gas emission savings from the rollback. Thank you.

Mr. ROUDA. Great. Thank you. The chair now recognizes Mr. Comer for five minutes.

Mr. COMER. Dr. Lewis, do you believe the proposed SAFE Vehicles Rule is a step in the right direction for consumers of new and used vehicles?

Mr. LEWIS. Yes, I do, and actually to address something Mr. Rouda said, in our comment letter on the SAFE Rule we actually said, hey, we ran your software, Department of Transportation, and we found that the benefits increase if we were to freeze the standards at 2018, and roll them back to 2017. Why didn't you consider that? You should have considered that, at least considered it and invited comment on it.

And so—but, nonetheless, we do see it as a step in the right direction, in terms of setting the standards. We think it is a gigantic step in the right direction in terms of restoring the Constitution and the supremacy clause, which gives Congress the power to preempt state laws or regulations, which they have done. And that is why this waiver, overturning this waiver, is different than any other that has come before, because there has never been, other than these greenhouse gas emissions standards in California, or the ZEV mandate, there has never been a California emission standard that directly and substantially regulates fuel economy.

So there is very compelling legal reason to do this, which itself—I mean, unless someone were to find that the Energy Policy and Conservation Act, which is the Nation's foundational fuel economy statute, is unconstitutional, then, you know, if we're going to be a nation of laws this is what we need to do.

Mr. COMER. Can you explain to us why the market does a better job meeting consumers' needs than a government mandate?

Mr. LEWIS. Well, look at China, which is often hailed as this, you know, great model for us to somehow emulate. Just this year, they decided they finally have to cut their electric vehicle subsidies. They cut them by 65 percent. And the result was that the sales of electric vehicles in China plummeted. And so now they are saying, well, I guess we will just have to mandate, and I think it is 3 to 4 percent of the market every year, the automakers would have to sell those—that segment as electric vehicles. But my point, again, is that if people really want these vehicles then they will pay for them.

And there are alternatives, also, to mandates. I mean, the SAFE Rule does not deprive California of the wherewithal or means of promoting electric vehicles if California thinks that that is really a great thing to do. I mean, California already offers very generous tax credits for these vehicles. They could do the same thing—they could expand those. They could—I believe they also have tax credits for charging stations. They could have direct investments in them. That would actually be preferable, from CEI's point of view, because then the costs would be visible, and then you could actually have voters decide whether we like these laws or not.

Mr. COMER. I agree. Dr. Lewis, you mentioned fuel economy. Do you agree that fuel economy should be regulated by uniform and consistent Federal standards?

Mr. LEWIS. Yes. If you are going to have them at all, they should be—there should be one program that is administered nationwide. Ideally it would be by one agency. In my ideal world—well, it is sort of ideal—in my ideal world there would simply be a free market to sort out, you know, how many cars of what fuel economy rating would be produced. But if you were going to have fuel economy standards at all, ideally I think you would have NHTSA, the Department of Transportation, setting the fuel economy standards, and you would have EPA setting the vehicle air conditioner standards, which have greenhouse gas emissions but that are not related to fuel economy.

Mr. COMER. Last question. Do you agree that California's waiver makes it impossible to achieve uniform standards?

Mr. LEWIS. I don't think it is impossible. What it does is it creates a permanent uncertainty and unpredictability. I think the truth here is completely the opposite of the usual narrative. I mean, it is true that what Trump is doing is disruptive. He is a disrupter. But that is really, you know, what you need to do always, for any kind of fundamental policy change.

But ever since California was given a place at the seat of power in making fuel economy, there has been—the so-called one vehicle program is actually something quite different. It is an uneasy truce that is wired to fall apart whenever California doesn't get its way. And we heard earlier a recitation of all the actions that California has taken to sue the Administration. This kind of head-butting is inevitable when you have two independent sovereigns co-determining a single policy.

Mr. ROUDA. Thank you. Time has expired. The chair now recognizes myself for additional questioning.

Dr. Wimberger, the California standard, again, is adopted by 13 other states and the District of Columbia –OMm00*and approximately one-third of the United States population follows those standards. I know you talked a lot about if we rolled back the standards what the impact would be. What would be the impact, if you can speak to this, and perhaps you, as well, Dr. Bento, what would the impact be if the rest of the United States actually followed the standards being adopted by one-third of the country already?

Ms. WIMBERGER. Well, I think any economist would argue that you do want to have one standard. That is more efficient and it is better for certainty. It is better for customers and it is better for the automakers. I would just argue that it should be the more stringent standard, given the pace of where we need to be in terms of our climate goals and our air quality needs in the United States.

Mr. ROUDA. And just the back of the napkin, you both cited many statistics as to what the impact would be with the rollback, and again, if that is one-third I think we can assume that the impact, if the rest of the country assumed these standard, would be triple what the rollback would be.

Ms. WIMBERGER. Well, and I should point out all the numbers that I quoted were relative to assuming that the Obama-era administration fuel economy standards were in place. So the differential would be—so we would see—if the California waiver were revoked

and we flatlined at 2020 levels, then we are looking at a gigaton of additional emissions between 2020 and 2035.

Mr. ROUDA. But again, back of the napkin, you would eliminate two gigatons of——

Ms. WIMBERGER. Yes.

Mr. ROUDA [continuing]. Okay. Perfect. Yes, Dr. Bento.

Mr. BENTO. That is correct, and also, again, echoing Dr. Wimberger, I want to mention that, indeed, in an ideal world we should have a single standard. But it was mentioned here several times before, it seems that the rest of the world is moving toward electrification of the fleet. We have been seeing much more aggressive standards coming out of The European Union and China. And, therefore, it seems to me that rolling back effectively puts the factor of penalty on the automakers that have taken leadership in innovation. And this is because many of those automakers have accumulated credits that they would use to meet more stringent standards, say, as we approach 2025.

And so when you roll back, effectively you bring the value of those credits down to zero, the fact you are penalizing them. I think you penalize them even farther because as preferences of individuals continue to change and move toward electric vehicles, what you will be doing will be reducing the market size of U.S. domestic manufacturers.

Mr. ROUDA. And it is also fair to state, when we talk about smart capitalism and allowing market forces to help dictate the outcomes here, there are billions of dollars of incentives provided to the fossil fuel industry that is not being calculated into the cost here.

Mr. BENTO. That is exactly right. So what I pointed to earlier is that for us to get the benefit costs correct we need to believe that there are benefits of regulation. And the benefits exist because many of the actions of individuals or oil companies generate external costs. Historically, we have de facto subsidized oil industry by not pricing pollution correctly, by not pricing greenhouse gas emissions correctly.

Mr. ROUDA. But again, there are really two issues there. There is, one, the incentives to actually produce, which is not being calculated in, and second, the societal cost of the pollution is also not being factored in. Correct?

Mr. BENTO. That is absolutely correct.

Mr. ROUDA. Great. Well, thank you. I appreciate those followup comments.

Without objection, the following items will be inserted into the hearing record: The American Lung Association State of the Air Report; the June 6 letter from the auto companies to President Trump; the Science article regarding the flawed analysis of fuel economy standards; the EPA report, "Greenhouse Gas Emission Standards"; and the letter from Congressmen Costa, Cox, and Harder to Administrator Wheeler and Secretary Chao, urging the agencies to rescind the SAFE Vehicle Rule.

Mr. ROUDA. I would like to thank again our witnesses for testifying here today. Without objection, all members will have five legislative days within which to submit additional written questions for the witnesses to the chair, which will be forwarded to you for

your response. I ask that if you do receive such a request that you respond as promptly as you are able.

And with that, this hearing is adjourned. Thank you.

[Whereupon, at 12:54 p.m., the subcommittee was adjourned.]

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