

How the US auto industry accelerated its climate lobbying under the Trump Administration

November 11 2017: The current US federal authorities have moved to dismantle a regulatory framework for automotive efficiency and greenhouse gas emissions set in place by the previous Obama-era administration. InfluenceMap's analysis of US auto industry lobbying shows an accelerated pattern of aggressive opposition to weaken climate-motivated policy since the election of President Donald Trump. The pattern of lobbying suggests an opportunistic effort from US auto lobby groups, particularly the Alliance of Automobile Manufacturers (AAM), to sway the regulatory regime on behalf of members GM, Ford, Toyota, FCA and others. This lobbying activity by the AAM contrasts significantly with the top line statements from many of these member companies on climate change. On the occasion of COP23 in Bonn the following note was compiled by InfluenceMap, using our [recognized methodology](#) for objectively assessing corporate influence over policy.

US Federal and State auto climate regulations - a primer

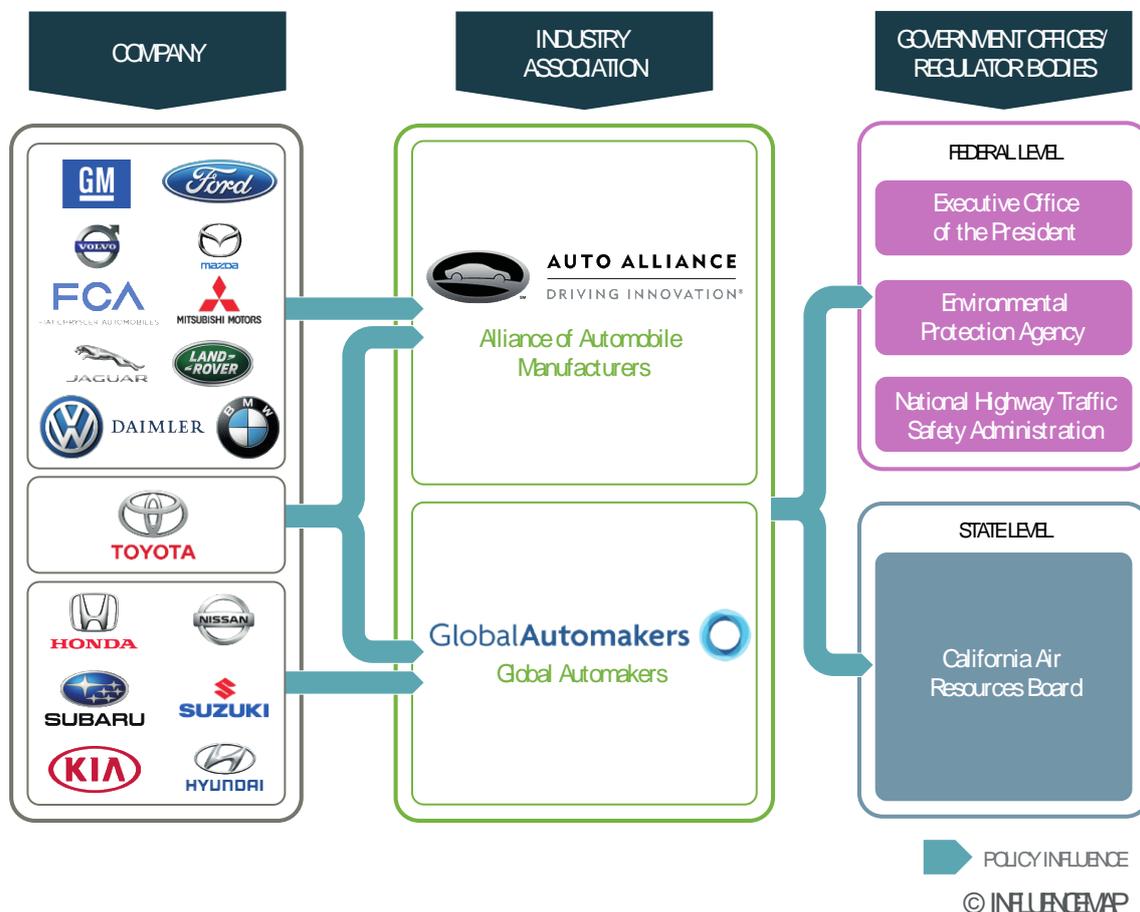
Regulation and Agency	History and recent developments
<p>Regulation: GHG emission standards for light duty Vehicles</p> <p>Agency: Environmental Protection Agency (EPA)</p>	<p>The Obama-era, EPA agreed GHG emission standards for light duty vehicles for model years (MY) 2012 through 2025. In March 2017, the EPA announced that it would revisit a January 2017 'final determination' of the standards for MY 2022-2025. In August 2017, the EPA began a process of reconsidering the standards.</p>
<p>Regulation: Corporate Average Fuel Economy (CAFE) Standards</p> <p>Agency: The Department of Transport National Highway Traffic Safety Administration (NHTSA), EPA</p>	<p>The NHTSA sets fleet average fuel economy standards for automakers while the EPA is involved in the testing process. From 2012, these standards have been set in conjunction with the EPA's GHG vehicle emission standards. In July 2017, the NHTSA announced it is considering revising the standards for model years 2022-2025, potentially freezing ambition at 2021 levels, whilst also potentially re-evaluating the 2021 standards.</p>
<p>Regulation: GHG emission standards and Zero Emission Vehicle (ZEV) policy</p> <p>Agency: California Air Resources Board (CARB)</p>	<p>The State of California may set vehicle emission standards that are as or more stringent than the federal level. CARB previously coordinated with the EPA and NHTSA in setting standards for 2017-2025 but went against the Federal government in March 2017 to confirm that it will not alter the ambition of its GHG standards, potentially setting up a confrontation with the federal government.</p>

The US auto industry's lobby machine

The US automotive industry relies on two trade associations for the bulk of its policy influencing and lobbying activities. However, key players (such as GM, Ford and FCA) appear to also act on an individual basis. The two key groups are as follows.

- **Alliance of Automobile Manufacturers (AAM):** This is by far the most powerful group, with the top four vendors GM, Ford, FCA and Toyota as members. (AAM annual budget \$28 million, CEO Mitch Bainwol drew \$1.5 million in salary in 2015).
- **Global Automakers:** This represents key Asian players Nissan, Honda and Hyundai along with numerous importers.

Both are highly active at the federal and key state levels in pushing member interests. This study has assessed both groups as being in opposition to the pace and ambition of climate motivated regulations at the Federal (pre Trump era) and California state level. Members and influencing flow is summarised below.



Toyota Motor: playing both sides

Toyota Motor is notable as being a member of both groups. It has also not supported GHG and CAFE standard ambition in its individual US lobbying despite positive corporate level, top line commitments on CO2 emission reductions.

Lobbying Reality

Official comments on the Trump Administration EPA plans to revise the Obama-era greenhouse gas standards: *"The information Toyota has provided over the course of the Mid Term Evaluation demonstrates the 2022-2025 Model Year requirements are not appropriate."*
 - Letter from Tom Stricker, Vice President Product Regulatory Affairs Toyota Motor North America to the U.S. Environmental Protection Agency, October 2017

Top Line Statement

On the [Toyota Environmental Challenge 2050](#): *"Toyota has decided to challenge itself to reduce vehicle CO2 emissions by 90% in comparison with 2010 levels by 2050. We will promote the development of next generation vehicles and further accelerate the spread of these vehicles."*
 - [Toyota website, November 2017](#)

A timeline of lobbying opportunities seized under Trump

- Prior to the 2016 election, automotive industry associations the [AAM](#) and [Global Automakers](#) lobbied throughout a "mid-term evaluation" of 2022-2025 CAFE and GHG emission standards. They advocated that previously agreed targets could not be met, and strongly suggested they should be reduced.
- Immediately following the 2016 election, the AAM [wrote directly](#) to the Trump White House Transition team, opposing the Obama administration handling of the process and [demanding](#) a pause in the mid-term evaluation until the Trump administration could "lead efforts" with regulators. The [AAM](#) and [Global Automakers](#) strongly opposed the EPA attempts to finalize 2022-2025 vehicle GHG emissions standards before the change in administration in January 2017.
- Following President Trump's inauguration, CEOs from General Motors, Ford and Fiat Chrysler [met](#) with the President on January 26th 2017 and reportedly discussed the CAFE and GHG standards. On February 10th 2017, CEOs from 18 global automakers [wrote to](#) President Trump stating opposition to the Obama era EPA finalisation of 2022-2025 vehicle GHG standards.
- On February 21st 2017, [Global Automakers](#) and the [AAM](#) wrote to new EPA Administrator Scott Pruitt [asking](#) for the finalisation of the EPA GHG standards to be repealed. This was followed by a [legal petition](#) filed by the AAM and directed at the EPA on March 13th. Two days later, the EPA [announced](#) the finalization of the GHG emission standards would be withdrawn.

- In April 2017, AAM CEO Mitch Bainwal [wrote to](#) EPA Administrator Pruitt thanking him for helping streamline the repeal of pre-existing regulations and, specifically, for initiating the removal of the finalization of the EPA GHG emission standards. The letter continued to oppose cases of federal and state vehicle regulatory overlap, specifically referencing the State of California, and advocating that the EPA “eliminate” duplications.
- Both auto lobby groups have pushed for regulatory ‘[harmonization](#)’ on US CAFE and GHG standards. This would increase their ability to influence the details of each regulatory programme. In 2017, AAM CEO Bainwal has publicly [campaigned](#) for a “compromise” on regulatory ambition on fuel economy between California and the federal level; [pressing](#) the CARB to review its targets to harmonize the rules into a national standard.
- In May 2017, AAM [urged](#) the US Senate to support a bill to ensure further CAFE-GHG program harmonization. The bill would, in effect, relax CAFE standard programme stringency by awarding increased program credits to automakers, without requiring increased fuel-saving technologies. The AAM [supported](#) a similar bill in the US House of Representatives in October of this year.
- In July 2017, the AAM and Global Automakers issued a [joint petition](#) to NHTSA that resulted in the regulator announcing that it would not enforce the current CAFE regulations through postponing the implementation of increased fines for violations until its review of the regulation has been completed.
- On September 6 2017, the [AAM](#) and [Global Automakers](#) testified in a public hearing on the reopening of a review of the CAFE and GHG standards. Both praised the joint re-evaluation of the standards, whilst a Global Automakers representative reiterated that the EPA had previously overestimated standards, stressing the need for less stringency in the future. Throughout October, both trade groups have continued to [publicly target](#) the GHG and CAFE standards, with AAM stating that “it would not stop trying to convince U.S. regulators to lower fuel efficiency mandates approved in the final weeks of the Obama administration.”

And in Europe

The auto industry's global lobbying machine in Europe

The same large automotive players deploy a global network of trade associations to control (and often distort) meaningful climate and emissions regulations. In the EU, the [European Automobile Manufacturers Association](#) (ACEA) and the [German Automotive Association](#) (VDA) are powerful political forces and have succeeded in watering down the European Commission's [ambitions to reduce road transport CO2 emissions](#) over the last decade, according to detailed analysis by InfluenceMap. Volkswagen, Daimler, BMW, Ford and FCA are members of both groups.

Appendix A: US auto-industry lobbying scorecard

The following section relies on InfluenceMap's [scoring methodology](#) to assess the stances of the two key US trade associations on their lobbying positions against the following two policy benchmarks.

- Overall Global Climate Score:** Assesses the entities based on relative support for a range of global climate policy ambitions set by mandated bodies such as the EC DG Climate, the Ministry of Environment, Japan, California Air Resources Board etc. (Scored on A - F scale, with F being strong opposition).
- Stance on US CAFE and GHG Standards:** Assesses support for ambition on MY 2022-2025 standards relative to what was agreed by EPA and NHTSA in 2012 and supported by the joint EPA, NHTSA, CARB [Technical Assessment Report](#) in 2016.

We also assess the five largest players in the US market (GM, Ford, FCA, Toyota and Nissan) on their overall Global Climate Score and indicate where their statements on US CAFE and GHG regulations appear misaligned with their top-line corporate statements on climate. The following tables contain links back to the InfluenceMap portal where assessed evidence is archived.

The Trade Associations

Lobby Group ¹	Overall Global Climate Score	Stance on US CAFE Standards	Stance on US GHG Standards	Members
Alliance of Automobile Manufactures (AAM)	E+	Oppositional	Oppositional	BMW, FCA, General Motors, Ford Motors, Tata Motors, Mazda, Daimler, Mitsubishi Motors, Toyota, Volkswagen Group, Volvo Cars
Global Automakers	E+	Oppositional	Oppositional	Aston Marin, Ferrari, Honda, Hyundai, Isuzu, Kia, Maserati, McLaren, Nissan, Subaru, Suzuki, Toyota

¹ With hyperlink to the detailed analysis on the InfluenceMap site

The US top five automakers assessed

Company ²	Overall Global Climate Score	Statements on US CAFE / GHG Standards	Misaligned Top Line Climate Statements
Ford Motors	E+	<p>“The Proposed Determination should be withdrawn [...] cost increases associated with the 2022-2025 MY standards reduce the affordability of new vehicles, which impacts consumers and affects vehicle sales, segmentation and industry employment.”</p> <p>(Dec, 2016)</p>	<p>“[Ford believes] climate change is real, and remains deeply committed to reducing greenhouse gas emissions in our vehicles and our facilities.”</p> <p>(June, 2017)</p>
General Motors	D	<p>“... flaws [with EPA Proposed Determination] lead to the adoption of 2022-2025 standards that are not attainable with available technology at reasonable cost and lead time.”</p> <p>(Dec, 2016)</p>	<p>“GM is committed to driving increased usage and acceptance of electric vehicles through no-compromise solutions that meet our customers’ needs.”</p> <p>(Oct, 2017)</p>
Fiat Chrysler Automobiles	D-	<p>"I think every (automaker) that produces SUVs and pickups will benefit from (a) rollback" [of US fuel economy regulations]</p> <p>(CEO, March, 2017)</p>	<p>“FCA believes that effective, long-lasting results to address climate change can only be achieved through the combined efforts of government, energy producers, manufacturers [...]”</p> <p>(April, 2016)</p>
Toyota Motor	D	<p>“The information Toyota has provided over the course of the MTE demonstrates the 2022-2025 MY requirements are not appropriate.”</p> <p>(Oct, 2017)</p>	<p>"Toyota has decided to challenge itself to reduce vehicle CO2 emissions by 90% in comparison with 2010 levels by 2050."</p> <p>Toyota website, November 2017</p>
Nissan	D+	<p>“The GHG and CAFE standards should increase at a technologically and economically feasible rate that reflects market demand” (Oct, 2017)</p>	<p>“No matter what happens in the U.S., we will not change any of our plans for electrified vehicles and more efficient vehicles,”</p> <p>(CEO, March, 2017)</p>

² With hyperlink to the detailed analysis on the InfluenceMap site