

*An Environmental Perspective:
EPA's Vehicles and Fuels
GHG Rule-Makings/California Waiver*

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2007: The Year in Review

- January 2007: President Bush calls for the “20-in-10 Plan” to reduce petroleum-based gasoline consumption
- April 2007: U.S. Supreme Court, in *Mass. v. EPA*, says EPA has authority to regulate GHGs under Clean Air Act, and cannot “shirk its duty to protect the public health and welfare”
- September 2007: District Court ruling affirms VT plan to adopt CA A.B. 1493 regulations, says regulations not preempted and that automakers can meet standards

Four Questions for EPA As It Proceeds to a GHG Rule-Making



Question 1: Will EPA Make a Public Health Endangerment Finding as well as a Public Welfare Finding?

- CAA Section 202 requires finding of endangered “public health or welfare” before setting standards
- *Mass v. EPA*: “The fact that DOT’s mandate to promote energy efficiency by setting mileage standards may overlap with EPA’s environmental responsibilities in no way licenses EPA to shirk its duty to protect the public health and welfare.”

Global Warming Has Public Health Impacts

- Global warming linked to:
 - ❑ Increased ozone levels
 - ❑ Increased malaria and other vector-borne diseases
 - ❑ Increased heat-related deaths
 - ❑ Increased death and injury from enhanced severe weather



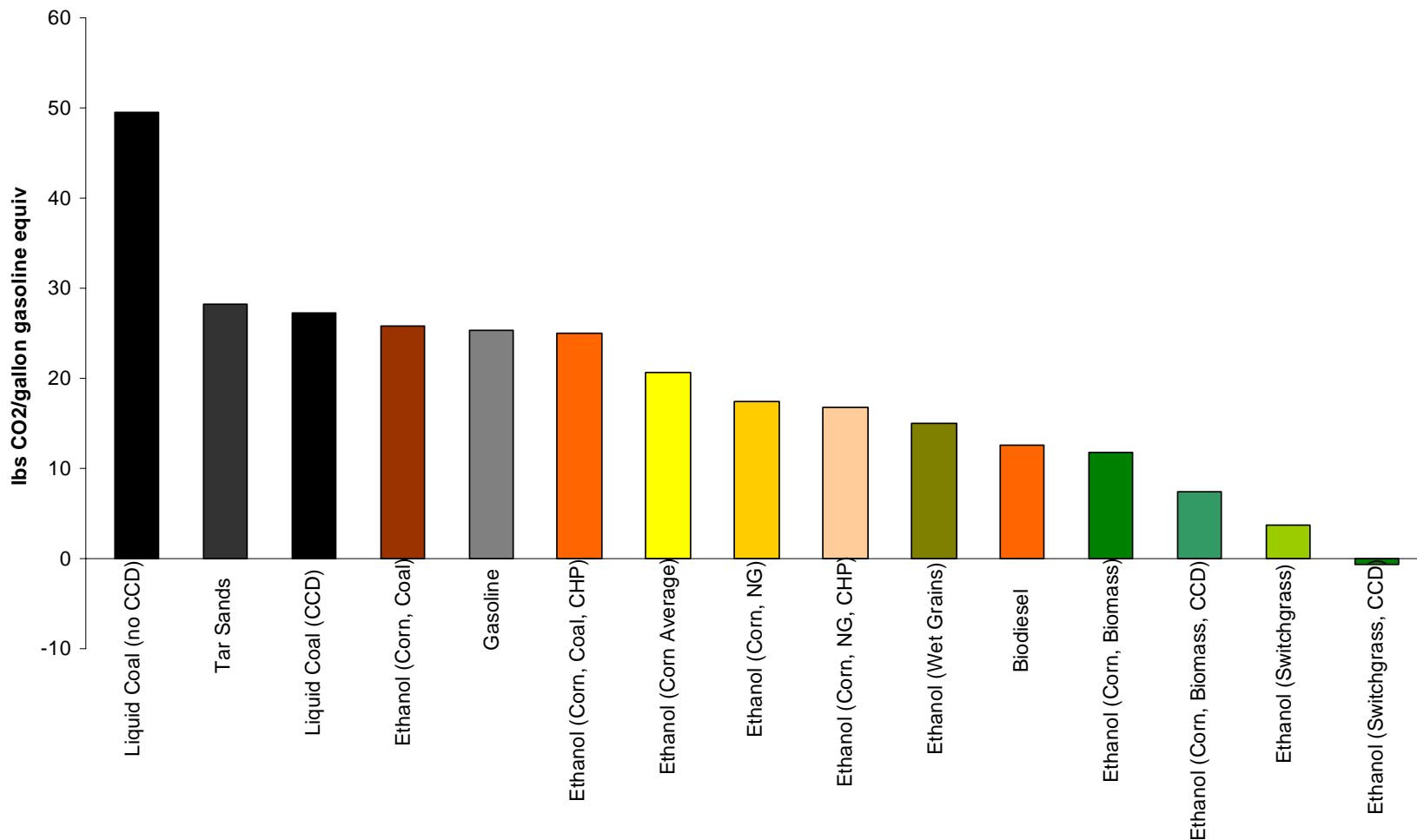


Question 2: What metric will be used?

- Public health and welfare demands life-cycle assessment and regulation of CO₂ and other Greenhouse Gases
 - Other metrics (MPG or BTUs) do not address full global warming impacts, and are not consistent with Clean Air Act mandate to regulate air pollutants



Well-to-Wheels Analysis: Liquid Coal Would Increase CO2 Emissions



Question 3: Will GHG Rule Consider U.S. or Global Benefits

- President Bush has said “Global warming is a global problem that needs a global solution.”
- Would it be consistent to ignore the global benefits of U.S. emission reductions?





Question 4: When Will California Get Its Waiver?

- July 2002: A.B. 1493
- September 2004: CA regulations adopted, will require 30% GHG reductions by 2016
- May 2005: Waiver request to EPA
- September 2007: Vermont court affirms VT adoption of CA regulations
 - CA + 14 states still waiting for EPA waiver



Summary

- NRDC welcomes opportunity to work with EPA and all stakeholders on the GHG rule
- Key questions need to be answered
- In our view, EPA should (1) use a CO₂ or GHG metric in both rules; (2) set its regulations to protect public health and welfare; (3) assess benefits of its programs globally and in the U.S.; and (4) grant the CA waiver now so states can move forward
- Vermont decision underscores need for EPA to adopt national program similar to California