Congress has an opportunity to overturn EPA's December 2024 decision allowing California to ban sales of new gas, diesel and traditional hybrid vehicles. If California's ban moves forward, it will impact the entire country. A dozen states, representing 35% of the U.S. auto market, will impose California's ban, taking vehicle choice away from millions of Americans and raising costs for families around the country.

Elected officials should support a CRA resolution to overturn EPA's authorization of the California ban.

# California's ban doesn't just impact California. It will impact the whole country, even states that have taken measures against California's vehicle policies.

- Nearly 20 states follow all or parts of California's vehicle laws, and a dozen states, representing 35% of the U.S. auto market will follow California's ban. This means millions of Americans will lose vehicle choice if the previous EPA's waiver stands.
- Because of California's outsized market influence, its ban will affect the price and availability of vehicles everywhere and threaten U.S. manufacturing jobs. Even states like OH, KS, KY, LA, ME, NC, CT and VA that have taken measures to avoid California's ban will be impacted.

# California's ability to seek waivers under the Clean Air Act (CAA) does not allow the state to ban sales of new gas cars. The Biden administration side-stepped Congress by authorizing California's ban.

- Under the CAA, the U.S. EPA is responsible for regulating vehicle emissions. California may seek "waivers" for its own emissions laws meant to address local pollution, but the state is not empowered to ban or limit consumer access to vehicles. Doing so constitutes a major policy question only Congress can resolve.
- EPA does not have authority to ban sales of new gas cars or mandate only "zero emission vehicle" (ZEV) sales. If EPA imposed California's policy nationwide, it would be struck down.

# EPA's December ruling is CRA-eligible, and supporting a CRA is common sense.

- CRAs exist to allow Congress to review important agency actions that will have national impacts.
  - » EPA's ruling to green light California's ban satisfies the CRA criteria for rules of "general applicability." California's policy provides all 50 states an alternative to federal vehicle emissions standards and EPA has long acknowledged the "nationwide scope or effect" of California waivers.
- Americans do not want sales of new gas and diesel vehicles banned, and they don't want California dictating what choices they have and prices they pay for fuels and vehicles.
  - » WPA Intelligence: 70% of likely voters in 2024 opposed government regulations aimed at banning the sale of gas-powered cars. Just 18% supported such policies.
- A CRA overturning approval of California's ban doesn't put any barriers in the way of consumers who want to purchase EVs. EVs will still be able to compete and grow in popularity.



# **Frequently Asked Questions**

#### What is the California "ban?"

That terminology refers to California's <u>Advanced Clean Cars II (ACCII)</u> regulation, a first-in-the-nation <u>ban on sales</u> of new gas, diesel and traditional hybrid passenger vehicles.

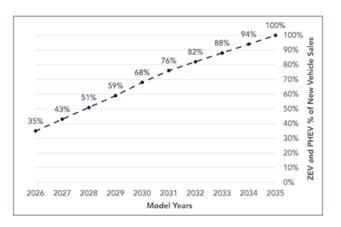
ACCII requires an increasing share of new vehicle sales to qualify as "zero emission" over model years (MY) 2026 to 2035 until only new zero emission vehicles (ZEVs) can be sold. A small share of plug-in hybrid vehicles (<u>maximum 20%</u>) will be allowed under the state's ZEV definition.

# What are the annual ZEV targets under ACCII?

ACCII requires each automaker selling vehicles in a "California state" to meet these yearly targets. (See chart.)

#### Which other states will follow ACCII?

There are <u>a dozen states</u> that will follow ACCII. Starting in MY 2026 (35% ZEV mandate) are California, Oregon, Washington, New York, Massachusetts and Vermont. Joining them in MY 2027 (43% mandate) are Colorado, New Jersey, Delaware, Rhode Island, New Mexico and Maryland.



## Are any states on track to meet California's targets?

Not a single state is "on track" to meet the targets, per the <u>Alliance</u> <u>for Automotive Innovation</u>. It's worse when you consider individual automaker sales (<u>pg. 16-17</u>). As of 2023, ZEV sales for legacy automakers were just 13% in California (<u>pg. 4</u>). They are lower in every other state.

### What happens if automakers can't meet the annual ZEV sales targets?

Compliance isn't optional. If automakers risk falling short of ACCII's annual standards, they have two options: 1. Buy expensive credits from pure-play EV makers; or 2. Reduce sales of gas and traditional hybrid vehicles to inflate their ZEV sales percentage.

### Doesn't EPA have to grant California's waiver requests?

No. In fact, EPA is required to deny requests if California's rules fail certain CAA criteria, which ACCII does:

- 1. ACCII is not essential to "meet compelling and extraordinary circumstances" in California. The state does not "need" to ban sales of new gas cars to address local pollution and smog.
- 2. ACCII exceeds EPA's own CAA authority. Simply put, EPA cannot ban conventional vehicles under the CAA, so California can't either.
- 3. The determinations underlying ACCII are textbook "arbitrary and capricious." The regulation is technologically infeasible. If implemented, it would not meaningfully address CO2 and would likely increase particulate pollution.

