

Tuesday, July 7, 2009

State emission dictators

California standards now tougher than federal ones

The federal government officially now permits California to impose its own tougher greenhouse gas emission limits on new motor vehicles, effectively handing nationwide policy-making authority over to Sacramento.

Normally we prefer states to retain authority and the federal government to back off. Unfortunately, when it comes to emission standards, the U.S. Environmental Protection Agency effectively has given the nation's most aggressive and intrusive governmental body permission to dictate unreasonable and economically harmful standards nationwide.

As a practical matter, the auto industry will manufacture vehicles to meet the higher standards required in the huge California market, rather than retool to meet myriad standards state by state.

"It stands to give California regulators the power to drive national fuel-efficiency standards in the future," the Sacramento Bee reported. That should strike terror in hearts coast to coast.

Top-down authority over automobile manufacturing now rests with a state known for economy-retarding regulatory laws run by an elected body unable to manage its own budget. It's like giving a toddler a loaded gun.

The Bush administration denied California's request to set standards in excess of the federal government's. But years of political conflict and legal challenges culminated in a compromise among President Barack Obama's EPA, California state government, environmentalists and automotive lobbies. Motorists and consumers appear to have had little voice.

The EPA implemented California's more restrictive standards in May, but last week formalized the agreement, opening the door for the state "to promulgate stricter rules," the Los Angeles Times reported.

California's previous fuel and electricity regulations resulted in "high prices for consumers, small businesses, schools, hospitals and industry," said Scott Segal, an attorney representing utilities and refiners. "The precedent set here for cars could be just as damaging."

"Turning over federal policy to Sacramento is insane. This is a state that is driving itself in the ground through devastating policies," Myron Ebell, energy specialist with the pro-market Competitive Enterprise Institute, told us. Higher fuel economy and greenhouse gas emission standards "will price people out of larger vehicles and force them into smaller vehicles," Mr. Ebell has noted. "Smaller cars may use less fuel, but they don't meet the needs of many people and studies show they are less safe."

We prefer buyers and sellers determine automotive standards in a free market. The federal government has plagued the auto industry and 50 states by dictating arbitrary standards influenced by nonmarket interests. Now it seems California lawmakers and bureaucrats will.