

addressed in a timely and effective manner for decision makers.

The President has also stated, however, that “while scientific uncertainties remain, we can begin now to address the factors that contribute to climate change” (June 11, 2001). Thus, along with stepped-up efforts to reduce scientific uncertainties, the President’s policy calls for public-private partnerships to develop break-through technologies that could dramatically reduce the economy’s reliance on fossil fuels without slowing its growth. Large-scale shifts away from traditional energy sources, however, will require not only the development of abundant, cost-effective alternative fuels, but potentially wholesale changes in the way industrial processes and consumer products use fuel. Such momentous shifts do not take place quickly. As the President has explained, “[a]ddressing global climate change will require a sustained effort, over many generations” ([www.whitehouse.gov/news/releases/2002/02/climatechange.html](http://www.whitehouse.gov/news/releases/2002/02/climatechange.html)).

By contrast, establishing GHG emission standards for U.S. motor vehicles at this time would require EPA to make scientific and technical judgments without the benefit of the studies being developed to reduce uncertainties and advance technologies. It would also result in an inefficient, piecemeal approach to addressing the climate change issue. The U.S. motor vehicle fleet is one of many sources of GHG emissions both here and abroad, and different GHG emission sources face different technological and financial challenges in reducing emissions. A sensible regulatory scheme would require that all significant sources and sinks of GHG emissions be considered in deciding how best to achieve any needed emission reductions.

Unilateral EPA regulation of motor vehicle GHG emissions could also weaken U.S. efforts to persuade key developing countries to reduce the GHG intensity of their economies. Considering the large populations and growing economies of some developing countries, increases in their GHG emissions could quickly overwhelm the effects of GHG reduction measures in developed countries. Any potential benefit of EPA regulation could be lost to the extent other nations decided to let their emissions significantly increase in view of U.S. emission reductions.<sup>5</sup>

<sup>5</sup> The U.S. faced a similar dilemma in its efforts to address stratospheric ozone depletion. Early U.S. controls on substances that deplete stratospheric ozone were not matched by many other countries. Over time, U.S. emission reductions were more than offset by emission increases in other countries. The U.S. did not impose additional domestic

Unavoidably, climate change raises important foreign policy issues, and it is the President’s prerogative to address them.

In light of the considerations discussed above, EPA would decline the petitioners’ request to regulate motor vehicle GHG emissions even if it had authority to promulgate such regulations. Until more is understood about the causes, extent and significance of climate change and the potential options for addressing it, EPA believes it is inappropriate to regulate GHG emissions from motor vehicles.

In any event, the President’s policy includes efforts to reduce motor vehicle petroleum consumption through increases in motor vehicle fuel economy. As noted previously, petitioners specifically suggested that EPA set a “corporate average fuel economy-based standard,” but only DOT is authorized to set motor vehicle fuel economy standards. DOT considered increasing fuel economy standards and recently promulgated a final rule increasing the CAFE standards for light trucks, including sports utility vehicles, by 1.5 miles per gallon over a three-year period beginning with model year 2005. The new standards are projected to result in savings of approximately 3.6 billion gallons of gasoline over the lifetime of the affected vehicles, with the corresponding avoidance of 31 million metric tons of carbon dioxide emissions. For the longer term, the President has established a new public-private partnership with the nation’s automobile manufacturers to promote the development of hydrogen as a primary fuel for cars and trucks, with the goal of building a commercially viable zero-emissions hydrogen-powered vehicle. In the near-term, the President has sought \$3 billion in tax credits over 11 years for consumers to purchase fuel cell and hybrid vehicles.

Aside from fuel economy-based standards, petitioners only other suggestions for reducing CO<sub>2</sub> from motor vehicles are tire efficiency standards and a declining fleet-averaged NO<sub>x</sub> standard to force the introduction of zero-emitting vehicles. In the case of tire efficiency standards, it is questionable whether such standards would qualify as “standards applicable to the *emission*” of an air pollutant from a motor vehicle under section 202(a)(1), since such standards would presumably apply to the vehicle’s tires, not its CO<sub>2</sub>

controls on stratospheric ozone-depleting substances until key developed and developing nations had committed to controlling their own emissions under the Montreal Protocol on Substances that Deplete Stratospheric Ozone.

emissions (emphasis added). As for zero emission vehicles, further technological developments are needed before they could be a practical choice for most consumers.

With respect to the other GHGs—CH<sub>4</sub>, N<sub>2</sub>O, and HFCs—petitioners make no suggestion as to how those emissions might be reduced from motor vehicles. GHG emissions from motor vehicles primarily consist of CO<sub>2</sub> from fuel combustion. In 1999, N<sub>2</sub>O represented 4 percent, HFCs 1 percent, and CH<sub>4</sub> less than 1 percent of transportation GHG emissions. As byproducts of combustion, there is a direct proportional relationship between CO<sub>2</sub> emissions and fuel economy levels. EPA believes parameters other than fuel economy are more relevant to N<sub>2</sub>O and HFC formation. HFCs come from mobile air conditioners, while N<sub>2</sub>O is influenced by catalytic converter design. CH<sub>4</sub> is a byproduct of combustion, like CO<sub>2</sub>, but can also be affected by catalytic converter design. As noted above, N<sub>2</sub>O, HFCs, and CH<sub>4</sub> represent a very small percentage of total U.S. transportation GHG emissions. As such, they would not be an effective or efficient target for regulation in the absence of regulation of CO<sub>2</sub> emissions.

## VI. Administration Global Climate Change Policy

Lack of CAA authority to impose GHG control requirements does not leave the Federal Government powerless to take sensible measured steps to address the global climate change issue. As described in this notice, the President has laid out a comprehensive approach to global climate change that calls for near-term voluntary actions and incentives along with programs aimed at reducing scientific uncertainties and encouraging technological development so that the government may effectively and efficiently address the global climate change issue over the long term. The CAA and other Federal statutes provide the Federal Government with ample authority to conduct the research necessary to better understand the nature, extent and effects of any human-induced global climate change and to develop technologies that will help achieve GHG emission reductions to the extent they prove necessary. The CAA and other statutes also authorize, and EPA and other agencies have established, nonregulatory programs that provide effective and appropriate means of addressing global climate change while scientific uncertainties are addressed.

As part of that effort, the President in February 2002 called for voluntary reductions in GHG intensity, including