



CREATING GOOD JOBS, A CLEAN ENVIRONMENT, AND A FAIR AND THRIVING ECONOMY

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Environment and Natural Resources Policy and Legacy Finance
Discussion on Minnesota Pollution Control Agency's proposed rule to adopt
California emissions standards
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Chair Ingebritsen and Chair Osmeck, members of the Committees, I appreciate the opportunity to speak with you today. My name is Kevin Lee, and I am the State Policy Director for the BlueGreen Alliance. The BlueGreen Alliance unites America's largest labor unions and environmental organizations, together representing millions of Americans.

I'm here today to talk about two things. I'm here to talk first about the Minnesota Pollution Control Agency's (PCA) legal authority to enact the Clean Car rule, because in addition to being the State Policy Director for BGA, I am also a practicing attorney with 20 years experience. I'm also here to talk to you about the role that these rules play in spurring innovation and job growth in Minnesota and helping to rebuild our middle class through good paying jobs that support families.

I'd like to first briefly address the issue that has been much discussed here, concerning the statutory authority that enables the PCA to adopt this rule. This is not an area that involves a lot of ambiguity or gray area—PCA's enabling statute directs them to adopt "maximum allowable standards of emission of air contaminants from motor vehicles." In addition to this grant of authority, the law also directs the PCA to adopt rules for the "prevention, abatement or control of air pollution." Many other states have used virtually identical statutory authority to adopt these very same rules, including Colorado, New York, Oregon, Rhode Island, and Vermont. Opponents have challenged those rules in court to no avail. While there is ongoing litigation around the shape of future

vehicle emissions regulation, in the meantime, some things are certain: the PCA has a statutory imperative to improve air quality in the state and a moral imperative to act now to reduce the most severe impacts of climate change.

But for BGA, the more important issue is this: we stand at a crossroads for manufacturing and the middle class. Manufacturers in the U.S. have risen to the challenge of building the next generation of advanced vehicles, and currently many of the market-leading EVs are assembled here in the U.S., creating high-skill, high-wage, family-sustaining jobs. But this global leadership is not assured for the future. Our competitors in Europe and Asia are making deep investments in EV manufacturing and putting into place policies to drive their own manufacturing and technology leadership in advanced vehicles. Without action, we will fall behind the rest of the world. So the question is not about car standards for California or Minnesota, it is about whether we are moving forward or moving backward. The federal government is taking our fuel economy standards backwards, and without action it will take us with them, along with all of the businesses and workers in the advanced vehicle industry.

Such a rollback has concrete impacts on Minnesotans, not just for air quality, although that is certainly a critical factor. It also means that consumers will pay more at the pump for fuel. It means less technology deployed and less future demand for the companies that build those components. Many of these companies are right here in Minnesota. In our state alone, there are 16 manufacturers and assemblers producing components that improve fuel economy and cut greenhouse gas (GHG) emissions. These 16 companies employ over 3,000 Minnesotans. These Minnesota companies manufacture hybrid electric drive system components, propulsion systems for full battery-electric vehicles; thermal management systems for electronic and power systems in advanced vehicles. These are just a few of the Minnesota businesses that depend on innovation and advancement in the automotive industry.

Joining the federal government to move backward on our vehicle emission standards means turning our backs on these workers in Minnesota and across the country. Our analysis shows that flatlining the standards in 2020 significantly slows adoption of advanced technologies in almost every vehicle subsystem and cuts demand for products made by hundreds of manufacturers and hundreds of thousands of workers all across the U.S. Many of these companies have already invested in R&D, plant equipment, and new staff to meet the demand for new technology anticipated under the federal standards that are now being rolled back, stranding those investments. The collected impacts of this rollback are clear: stepping away from the strengthened fuel economy standards risks sending the next generation of vehicle innovation, investment, and jobs overseas. Our competitors will not wait for us to act; they are acting now to set ambitious goals for improving fuel economy and cutting emissions from transportation.

We would like to thank the Governor and Commissioner Bishop for their leadership in moving to strong, long-term standards that sustain America's leadership in technology and manufacturing, safeguard consumers from swings in gas prices, and protect and grow jobs here in the U.S. and Minnesota—not sending our jobs abroad.

We urge the members of this Committee to support that leadership.