

Testimony of Mayor Sam Liccardo
Subcommittee on Environment
U.S. House Committee on Oversight and Reform
October 29, 2019

Thank you to Chairperson Rouda for inviting me, and to the distinguished members of this subcommittee for considering my testimony.

As the mayor of San José, I serve 1.1 million residents in America's 10th largest city. In San José and throughout our Silicon Valley, we're in the future business. In the words of the great playwright and San Joséan Luis Valdez, "The future belongs to those who can imagine it."

For a half-century, the California waiver has enabled Silicon Valley—and 130 million Americans in 14 states—to imagine a future different from the reality of deadly smog that choked Californians for decades. A Republican Governor, Ronald Reagan, signed legislation forming the Air Resources Board in 1967, to create emission standards that would survive federal preemption by virtue of the signature of a Republican President, Richard Nixon, on the 1970 Amendments to the Clean Air Act.

I evoke this history because amid our too-familiar partisan divide on matters of the environment, we should remember that there's much about which we all agree. Whether we live in red or blue states, we should all be concerned about what I call the three B's: breaths, breakthroughs, and Benjamin's. That is, revoking the California waiver will pollute our air, undermine our technological progress, and will cost us money.

First, our breaths: growing up in the verdant Santa Clara Valley in the 1970's, I recall "spare the air" days when smog became so bad that my teachers wouldn't allow us to go outside to play. Since then, California's pioneering regulatory efforts spurred adoption of pollution control technologies—such as the catalytic converter—that have reduced the emissions profiles of cars between 75% and 99% statewide — despite a doubling of our population, and quadrupling of our vehicle use. This has saved nearly 29,000 premature deaths a year.

Yet we still have much more work to do. The San Francisco Bay Area still exceeds federal standards for ozone and fine particulate matter, which are responsible for approximately 2,500 premature deaths each year in my region, and recent wildfires and warming temperatures will only exacerbate the problem. The situation appears even worse in Southern California, where millions living in the San Joaquin Valley and Los Angeles air basins currently live under what is known as "severe non-attainment" conditions for ozone.

Second, the breakthroughs: our ability to protect Americans—and to meet future federal air quality standards—critically depends on growing adoption of technology, particularly in further development of zero-emission vehicles and the generation of renewable energy. Sensible environmental regulation has helped to prod many of Silicon Valley's breakthroughs in clean tech.

Our local ecosystem of innovation has birthed Tesla's cars and batteries, Proterra's electric buses, SunPower's hyper efficient solar panels, and Chargepoint's electric charging infrastructure. Lest you fear that California's environmental regulations impede growth, my own San José metro area has a 2.2% unemployment rate, and the highest per-capita GDP of any large U.S. metro.

Our success in clean tech is hardly our own, however: Tesla has invested billions in battery manufacturing in Nevada, and makes its solar panels in Buffalo. Proterra manufactures buses in South Carolina. I drive a hybrid Chevy Volt assembled in Detroit and Baltimore.

How do I know California's regulations support innovation? Four manufacturers—Volkswagen, BMW, Ford, and Honda—voted with their pens, signing deals with California for stricter emissions standards, while American Honda publicly stated that any rollback of CAFÉ standards “stalls long term strategic industry planning...and slows industry readiness for a widely acknowledged...transition to vehicle electrification.” Economists at the Rhodium Group estimated that revoking the California waiver will reduce zero-emission vehicle sales by 7 to 8 percentage points in 2035, translating to about 12 to 14 million fewer ZEVs on the road.

Finally, there are the Benjamins. All of us—Republican and Democrat—agree on the benefits of saving our citizens money, and inefficient vehicles cost our drivers more to fill up. By some estimates, consumers may pay an extra \$2.3 billion by 2030 in my own Bay Area, while Consumer Reports places the estimate nationally at \$460 billion — the equivalent of a tax of \$3,300 per vehicle. While some argue that greater fuel efficiency will cost car buyers of new automobiles at the dealership, a sober calculation reveals that same technology will save drivers three times more at the pump.

Breaths, breakthroughs, and Benjamins should persuade all of us of the foolhardiness of weakening emission standards, but I wouldn't be here if I didn't also believe that it will more deeply imperil our planet. The tailpipe remains the greatest source of our nation's greenhouse gas emissions, particularly in sprawling, suburban cities like San José, where 63% of our greenhouse gas emissions come from transportation. California's standards helped to reduce these emissions, both by improving fuel efficiency, and by incentivizing the purchase of electric vehicles. The San José metro has higher electric vehicle adoption than any other U.S. city, and 80% of the electricity supplying our grid and charging our electric vehicles is greenhouse gas-free. San José is reducing its transportation-related greenhouse gas emissions, by 12% over a three-year period, but we have a long way to go to even meet the Paris Agreement goals that 400 U.S. mayors and I have embraced. In the words of the esteemed philosopher, Kermit the Frog: “it's not easy being green.” The federal government shouldn't make it harder.