

# HERE'S THE TRUTH ABOUT EMISSIONS RESTRICTIONS, THE TRUMP ADMINISTRATION, AND HOW JUST ONE PERSON CAN RUIN ALL OUR FUN

At SEMA, it's our job to pay attention. Our efforts in Washington, D.C., and in states nationwide free you up to do what you do best: run your business, work on your car, explore a new trail. So when we see bad information popping up, we have an obligation to set the record straight. Here, we're weighing in on a few things we're hearing about recent environmental rules.

#### TRUMP ENDED THE EPA.

False. The EPA continues to exist and operate as the federal authority for protecting the nation's public health and the environment, including setting and revising policies and regulations, along with enforcement against illegal activity. There are no indications that the Trump Administration is pursuing significant changes to that mission, including the shuttering of the agency. In fact, under new Administrator Lee Zeldin, the EPA has been among the most active of the Trump Administration agencies, announcing significant efforts to roll back environmental rules and address regulatory burdens, particularly those impacting the automotive industry. But no, the EPA is not going away.

#### EV MANDATES ARE GOING AWAY.

Maybe. At the federal level, the Trump EPA has enacted a plan to address federal EV mandates and internal combustion engine (ICE) vehicle bans by reviewing a pair of problematic regulations that limit the sale of non-EVs (known as the: Model Year 2027 and Later Light-Duty and Medium-Duty Vehicles regulation and Greenhouse Gas Emissions Standards for Heavy-Duty Vehicles). If the agency seeks wholesale changes to those regulations, it will be bringing much-needed certainty to the automotive marketplace by ensuring that consumers are the sole drivers of vehicle demand – not the government. That said, this will be a somewhat lengthy process, as the rules essentially need to be re-written and re-considered, following the traditional comment periods, etc.

But EV mandates also exist in California, where a bevy of policies, several of which SEMA has challenged in court, are seeking to eliminate the sale of ICE vehicles within the next decade (including the Advanced Clean Cars II policy). California late last year received a waiver from the Biden Administration to enact this policy; Congress soon will reconsider this waiver using the Congressional Review Act. If Congress strikes down California's waiver, the state (and 11 others) will no longer have legal authority to enact EV mandates and internal combustion engine bans. Congress only has a short window to act, so while it's looking positive, until action is taken, we're not out of the woods.

#### WE CAN USE DEFEAT DEVICES AGAIN.

**Absolutely false.** The law is still the law and the law is clear: street vehicles must still be emissions compliant. Diesel defeat devices remain illegal under section 203(a)(3) the Clean Air

Act and 40 C.F.R. §§ 1068.101(b) – this has not changed. The EPA continues to enforce against businesses that manufacture, offer for sale, sell, or install any parts or component that bypass or defeat emissions controls. After President Trump's initial wave of executive orders, U.S. Attorney General Pam Bondi followed up with a <a href="mailto:memo">memo</a> in which she reaffirms that the Department of Justice will evenhandedly enforce all federal civil and criminal laws, *including environmental laws*.

Simply put, any production, sale, distribution, or use of aftermarket products that take a streetuse motor vehicle out of compliance with federal emissions standards could still face action by EPA and the Department of Justice.

And for those who actively share these illegal activities online or on social media channels, don't be surprised if you are the first to be enforced against – whether it is the Trump Administration or future administrations. If you act in this manner, you will open yourself up to significant legal repercussions.

## I ONLY RACE VEHICLES, SO IT DOESN'T MATTER TO ME WHAT OTHERS ARE SAYING.

False. What's the saying – perception is reality? If there's a perception that an industry promotes illegal activity, or that their products are means for undercutting the law, there's bound to be blowback. Think of the harm to those in manufacturing if distributors no longer want to carry those products, based on the perception that what's being sold is only for illegal activity. We're talking about a trickle-down effect on an entire industry and sport, based solely on false impressions advanced by a small group of bad actors.

What's the other saying – a picture is worth a thousand words? This is why you need to give a lot of thought to the imagery you use and share. Showing vehicles rolling coal on public streets or highways undermines everything we have fought to build. Those are images of activities that are neither legal, nor off-road, nor of racing use. These are images of blatant violations of the law, and it tells a different story than the one we need heard.

#### NOBODY IS GOING TO LISTEN TO A SMALL GROUP OF EXTREMELY ONLINE PEOPLE.

False. You know what they say about "one bad apple." Do you think our adversaries and ideological opposites are not paying attention? They're watching, collecting receipts, and waiting in the weeds to strike when their opportunity arises. It might be in an interview, or congressional testimony, or in a new regulation. But every time someone speaks loudly in favor of illegal activity, there's someone who is waiting for the opportunity to use your words against you and tear you down.

Think about it: if you were in an argument and the rantings of the loudest guy in the room was ruining your opponent's credibility, you'd be thrilled. That's what people online spouting off about illegal activity are to our opponents – the proof that we're not about what we say we are. Our industry is comprised of decent people who follow the rules and just want to be left alone to run their businesses and pursue their passions. But the bad actors threaten to undermine everything we've built by making themselves the rule, not the exception.

## TRUMP IS JUST GOING TO LET US DO WHAT WE WANT.

**Nope.** First, the law is still the law, and with that can come enforcement, fines, and potential imprisonment for rulebreakers. There's also the possibility of renewed scrutiny on our industry,

like what happened during President Trump's first term. If you recall, the EPA in 2019 made enforcement against mobile sources a top, binding priority for the following four years, forcing industry businesses to provide information on the emissions-related products they sold and the use of those products. This placed upon businesses new administrative burdens in the form of documentation requests and, in many cases, resulted in significant fines.

This could already be happening again. A recent EPA memo discusses a realignment of the agency's 2024-2027 top enforcement priorities, which could again put the automotive aftermarket in the crosshairs.

SEMA was successful in getting aftermarket defeat devices off EPA's list of its top priorities for enforcement in 2023. It's critical that the industry bolster this progress by halting action that might land us back at the top of that enforcement list.

So while we're clearly aligned with the Trump Administration on certain issues, like our shared opposition to EV mandates, we must always be ready for the possibility that there's another pressure point that could shine a spotlight on the aftermarket that we don't want.

## YOU CAN'T SPELL "FREEDOM" WITHOUT "SEMA."

**True.** SEMA loves freedom. (*Freedams?* You get the point.) We're as freedom-loving an organization as you'll find in this great nation. Our work on behalf of the automotive aftermarket industry and the nation's community of automotive enthusiasts is rooted in the idea that people should be able to modify and repair their vehicles as they see fit, and utilize them in ways that enrich their lives. We believe in freedom of speech and expression, and that your car or truck is an extension of who you are.

SEMA also believes in the rule of law, and when laws are clear, we follow them – whether for emissions and environmental standards, or venues for the safe operation of your vehicle.

We will always protect the reputation of the hard-working people who built our industry. We're not inclined to stand by idly while someone else tears down decades of growth. And that goes for our work in Washington, D.C., which might be the most fragile of our efforts – we're only as good as our reputation as an honest broker for our members, and when that reputation is damaged, it can be hard to buff out the scratches. We don't expect the industry to be boring – just above-board and responsible.

## I CAN HELP SET THE RECORD STRAIGHT.

**Absolutely true.** You're an expert. You're trusted. You can call out misinformation and be an example of how our community protects and polices itself. And you can do so knowing that SEMA and PRI will back you up by providing facts and best-in-class analysis of what's going on and what it means to you.

Contact SEMA at governmentaffairs@sema.org for more information.