LA to have fully electric bus fleet by 2030

Known for its bouts of heavy smog , the city of Los Angeles on Thursday announced plans to have a fleet of fully electric, zero-emissions buses by 2030.

Authorities in the US metropolis said the project, which involves the purchase of 2,200 vehicles, would cost some $1 billion over the next ten years.

"Today's vote represents an enormous investment in the future of a healthy and prosperous Los Angeles," said Hilda Solis, a Metro Board Member.

The current fleet operates on compressed natural gas (CNG), seen as the most environmentally-friendly option when the buses were purchased in the 1990s. A CNG coalition had previously protested the transition, arguing that, while the goals were worthy, electric buses were not yet a reliable technology.

The state of California has positioned itself at the forefront in the fight against carbon emissions despite President Donald Trump's decision to rollback legislation enacted by his predecessor Barack Obama and to pull the United States out of the Paris climate accord in June. (AFP)

Fiat wins EPA approval for 2017 diesel Jeeps, Ram pickups

US environmental regulators have approved the sale of 2017 diesel models of the Jeep Cherokee SUV and light-duty Ram 1,500 pickup, auto giant Fiat Chrysler said Friday.

The move allows the company to begin selling diesel versions of the popular vehicles that US officials had refused to allow on the road over concerns about the emissions technology.

The announcement follows a lawsuit brought in May by the US Environmental Protection Agency, which accused the company of configuring models in earlier years to evade emissions testing, which Fiat Chrysler denied.

The Italian-controlled FCA said Friday the go-ahead to sell the new diesel models was the result of months of talks with the EPA and California's Air Resources Board.

The updates for the 2017 diesel models will require only software calibrations and no changes to hardware, FCA said in a statement.

German automaker Volkswagen continues to be rocked by controversy after admitting in 2015 that it outfitted 11 million cars worldwide with devices to hide harmful emissions from pollution testing. The EPA's accusations against Fiat Chrysler concerned the 2014 to 2016 model years and the company said it hoped to apply the software fix used on the 2017 models to those earlier model years. (AFP)

US economy speeds up in Q2

Wages continue to lag; labor costs rise 0.5% in second quarter

WASHINGTON, July 29, (RTRS): The US economy accelerated in the second quarter as consumers ramped up spending and businesses invested more on equipment, but persistent sluggish wage gains cast a dark shadow over the growth outlook.

Gross Domestic Product (GDP) increased at a 2.6 percent annual rate in the April-June period, which included a boost from trade, the Commerce Department said in its advance estimate on Friday. That was more than double the first quarter's downwardly revised 1.2 percent growth pace.

Wage growth, however, decelerated despite an unemployment rate that averaged 4.4 percent in the second quarter. Inflation also retreated, appearing to weaken the case for the Federal Reserve to raise interest rates again this year.

In this file photo, job applications and information for the Gap Factory Store sit on a table during a job fair at Dolphin Mall in Miami. The US economy acquired an exclusive label, on July 28: Recession-free for eight full years. Unemployment has fallen dramatically, from a peak of 10 percent in October 2009 to 4.4. But the long-term unemployed, those out of work for six months or more – make up an unusually large share of today's jobless: 24 percent, versus 4 percent eight years deep into the 1961-1969 expansion and 12 percent in 1991-2001. (AP)

"Although growth is solid, the lack of wage pressure buys the Fed plenty of time, and works with a very 'gradual' tightening cycle," said Alan Ruskin, global head of G10 FX strategy at Deutsche Bank in New York. "There is more here for the Fed doves than the hawks."

Prices of US Treasuries rose after the data but pared gains as oil prices hit two-month highs. The dollar fell against a basket of currencies and stocks on Wall Street were trading lower following recent hefty gains.

Economists expect the Fed to announce a plan to start reducing its $4.2 trillion portfolio of Treasury bonds and mortgage-backed securities in September.

The US central bank left rates unchanged on Wednesday and said it expected to start winding down its portfolio "relatively soon." The Fed has raised rates twice this year.

The rise in second-quarter GDP was in line with economists' expectations. Output was previously reported to have increased at a 1.4 percent pace in the first quarter.

The economy grew 1.9 percent in the first half of 2017, making it unlikely that GDP would top 2.5 percent for the full year. President Donald Trump has set an ambitious 3.0 percent growth target for 2017.

While the Trump administration has vowed to cut corporate and individual taxes as part of its business-friendly agenda, Republicans' struggles in Congress to pass a healthcare restructuring have left analysts skeptical on the prospects of fiscal stimulus. So far, the impasse in Washington has not hurt either business and consumer confidence.

Resurgence

A resurgence in consumer spending accounted for the bulk of the pickup in economic growth in the second quarter. Consumer spending, which makes up more than two-thirds of the US economy, grew at a 2.8 percent rate. That was an acceleration from the 1.9 percent pace logged in the first quarter.

But with wage growth remaining sluggish despite the labor market being near full employment, there are concerns that consumer spending could slow in the third quarter.

In a separate report on Friday, the Labor Department said wages and salaries increased 0.5. percent in the April-June period after accelerating 0.8 percent in the first quarter.

They rose 2.3 percent on a year-on-year basis. There were, however, strong wage gains in the information, finance and natural resources sectors.

"A tightening labor market ought to put upward pressure on wage rates, but employers are likely to resist increases as long as they can, given the state of productivity," said John Ryding, chief economist at RDQ Economics in New York.

Inflation was subdued in the second quarter. The Fed's preferred inflation gauge, the personal consumption expenditures (PCE) price index excluding food and energy, increased at a 0.9 percent rate.

That was the slowest rise in more than two years and followed a 1.8 percent rate of increase in the first quarter.

The gross domestic purchases price index, another measure of inflation pressures in the economy, increased at a 0.8 percent rate after advancing 2.6 percent in the prior quarter.

Sluggish but durable

Five things to know about US economy's expansion

WASHINGTON, July 29, (AP): The US economy acquired an exclusive label Friday: Recession-free for eight full years. Yet the third-longest economic winning streak in American history still doesn't get much love.

No wonder: Despite its longevity, this expansion has delivered subpar gains in its pace of growth, full-time hiring and pay increases since it emerged from the wreckage of the Great Recession in June 2009. It's the weakest economic recovery since World War II.

And the gap between the richest among us and everyone else has widened.

Still, the economy is hardly the disaster that President Donald Trump insists he inherited. Employers have been hiring steadily, month after month, since 2010. A majority of Americans now enjoy unusual job security.

The government estimated Friday that the economy grew at a 2.6 percent annual rate from April through June. It wasn't sizzling. But just the fact that the economy has sustained its growth since mid-2009 represents a major statistical milestone.

Here are five things to know about the expansion as it trudges into Year 9:

■ It's got staying power

The National Bureau of Economic Research has been measuring US recessions and expansions since the 1850s. Over that time — from President Franklin Pierce's administration to Trump's — only two expansions have matched the lifespan of the one that officially began in June 2009 and has endured for 96 months:

A 106-month expansion that ran from February 1961 to December 1969, when President Lyndon Johnson stoked growth with spending on domestic programs and the Vietnam war.

And a 120-month streak that began in March 1991 and ended in March 2001, after the dotcom bubble burst.

What's more, the job market has enjoyed a remarkable run: Employers have added jobs for 81 straight months — easily the longest streak on record. And the number of Americans applying for first-time unemployment benefits has stayed below 300,000 for 125 straight weeks. That's the longest such streak since 1970, when the population and workforce were much smaller.

■ It's no boom

Compared with the other two long-lasting expansions, the current one looks, well, weak. America's gross domestic product has grown less than 19 percent over the past eight years — much less than the 51 percent growth posted in the first eight years of the 1961-1969 expansion and the 34 percent in the same span of the 1991-2001 expansion.

Job growth has been consistent but hardly robust. A big reason is just how bleak the job picture was eight years ago. The Great Recession wiped out 7.4 million jobs. And the job market didn't actually hit bottom until February 2010 — eight months after the recession ended.

Over the past eight years, the number of US jobs has risen just 12 percent to 146 million. Over the same span, job gains had surged 30 percent in the 1961-1969 expansion and 18 percent in the 1991-2001 expansion. The current recovery was stunted at the outset by lingering wreckage from the financial crisis. Consumers stopped borrowing after having charged too much on their credit cards and having watched their home values sink. Banks, struggling with bad loans, tightened credit.

Since then, the expansion has been hobbled by a slow-growing labor force and by a puzzling slump in worker productivity, which is the amount of output produced, per hour worked.

Job growth exceeded 200,000 a month in 2014 and 2015 but has been trending lower — 180,000 a month so far this year — in part because there are fewer people who want or need a job.

"The labor market is pretty healthy," says Robin Anderson, senior economist at Principal Global Investors. "But over the last couple of years, we have definitely moved to a slower pace of job growth."

■ Government hasn't helped much

Government spending and investment usually play a vital role in restoring economic health after recessions. Faced with the deepest downturn since the 1930s when he took office in January 2009, president Barack Obama pushed through Congress an $862 billion stimulus package. Many economists credit the blend of tax cuts and spending increases, in no small part, for reviving the economy.

But once Republicans won the House of Representatives in 2010 and the Senate in 2014, they proved reluctant to commit to more spending at a time when budget deficits were soaring. Likewise, state and local governments cut back.

The result was that government spending and investment at all levels — federal, state and local — dropped 6 percent in the first eight years of this expansion. By contrast, government spending had risen 43 percent in the first eight years of the 1961-1969 expansion and 7 percent over the same span of the 1991-2001 expansion.

Government payrolls have dropped 1 percent since June 2009. They had risen 42.4 percent in the first eight years of the 1961-1969 expansion and 9.1 percent this deep into the 1991-2001 expansion.

■ Meager pay gains

Americans are still waiting for shrinking unemployment — the 4.4 percent jobless rate is near a 16-year low — to translate into healthier wages.

Comparisons are difficult because the government didn't track hourly pay for all private-sector workers until 2006. But according to government data gathered by the Economic Policy Institute dating to 1947, pay for rank-and-file workers, adjusted for inflation, rose just 3.5 percent from 2009 to 2016. That was a sharp slowdown from the 6 percent increase from 1991 to 1998 and 13.5 percent from 1961 to 1968.

■ Litlle progress for those who've suffered most

As the economy rebounded from the Great Recession, the very richest benefited most. Emmanuel Saez, an economist at the University of California, Berkeley, found that 52 percent of income gains from 2009 to 2015 went to the richest 1 percent of Americans. (In the first three years of the expansion, the discrepancy was far starker: The top 1 percent received 91 percent of income gains.)

Unemployment has plunged — from a peak of 10 percent in October 2009 to 4.4. But the long-term unemployed— those out of work for six months or more — make up an unusually large share of today's jobless: 24 percent, versus 4 percent eight years deep into the 1961-1969 expansion and 12 percent in 1991-2001.

Today's typical unemployed American has been jobless for 9.6 weeks. That compares with 6.8 weeks at the eight-year mark of the 1961-1969 expansion and 4.9 weeks in the 1991-2001 expansion.

Carl Van Horn of Rutgers University's Center for Workforce Development notes that the long-term unemployed face an uphill battle to get back to work. Many tend to be older — at least 45 — and face age discrimination or have seen their skills deteriorate during their unemployment. "The longer you remain unemployed, the harder it is getting back in the labor market," Van Horn says. "Employers make assumptions that this is an indication of some undetected flaw."

Gina Trovarelli, who lost her bank job of 12 years in September 2015, went more than a year without permanent employment. Trovarelli, 52, of Bayville, New Jersey, raided her retirement account (and paid a tax penalty) and cut back on meals out and other non-necessities.

Her job hunt was agonizing. Some potential employers were suspicious of the gap in her job history.

"They want to know what you were doing this whole time," she says. After getting counseling at Rutgers' New Start Career Network program, she landed a temporary job at an insurance company. It was supposed to become permanent. But the promised position was axed in a round of budget cuts. So she's looking for work again. Making matters worse for the long-term unemployed is that employers now often use computer algorithms to analyze resumes: If the automated filter spots a gap in an applicant's employment history, out goes the application.

Van Horn says the long-term unemployed are being forgotten as the overall job market returns to health.

"Not only are these people hurting, but no one cares about them anymore," he says.

Treasury seeks to stave off default with two months extension

Mnuchin extends debt limit measure

WASHINGTON, July 29, (RTRS): US Treasury Secretary Steven Mnuchin on Friday said he would extend for two more months one of the extraordinary cash management measures that the Treasury is using to stave off a debt-limit default.

Mnuchin said in a letter to House of Representative Speaker Paul Ryan that he would continue to withhold investments from the Civil Service Retirement and Disability Fund, until Sept 29.

The Treasury's previous "debt issuance suspension period" for the federal employee pension fund was due to expire on Friday.

Mnuchin had to take the step because Congress has not passed an extension or increase in the federal debt limit, and the Treasury needs to withhold funds from the pension fund in order to preserve its borrowing capacity. It has taken several similar measures since the last extension of the debt limit expired in March at just under $20 trillion.

Mnuchin urged lawmakers this week to act on the borrowing limit before their August recess, but his request fell on deaf ears. The House of Representatives is on recess until Sept 5.

Mnuchin and fiscal watchdog groups have estimated that the Treasury will fully exhaust its remaining borrowing capacity in October, raising the risk that the United States cannot meet all of its payment obligations with incoming tax revenue.

The Treasury is required by law to make the pension fund whole, including interest, when the debt limit is increased.

In testimony before the House Financial Services Committee on Thursday, Mnuchin said that Congress' budgeting process, including the role the debt limit plays, "needs to be looked at."

US OKs legislation to speed deployment of self-driving cars

WASHINGTON, July 29, (RTRS): An influential US House committee approved a revised bipartisan bill on a 54-0 vote that would speed the deployment of self-driving cars without human controls and bar states from blocking autonomous vehicles.

The bill would allow automakers to obtain exemptions to deploy up to 25,000 vehicles without meeting existing auto safety standards in the first year, a cap that would rise to 100,000 vehicles annually over three years.

Automakers and technology companies believe chances are good Congress will approve legislation before year end. They have been pushing for regulations making it easier to deploy self-driving technology, while consumer groups have sought more safeguards. Current federal rules bar self-driving cars without human controls on US roads and automakers think proposed state rules in California are too restrictive.

The measure, the first significant federal legislation aimed at speeding self-driving cars to market, would require automakers to submit safety assessment reports to regulators, but would not require pre-market approval of advanced vehicle technologies. The House of Representatives will take up the bill when it reconvenes in September, while senators plan to introduce a separate similar measure.

"Our aim was to develop a regulatory structure that allows for industry to safely innovate with significant government oversight," said Representative Greg Walden, who chairs the House Energy and Commerce Committee.

Initially, authors proposed to allow automakers and others to sell up to 100,000 vehicles immediately. Representative Frank Pallone said the phase-in period was essential so "millions of exempted cars will not hit our roads all at once."

Manufacturers must demonstrate self-driving cars winning exemptions are at least as safe as existing vehicles.

Under the House proposal, states could still set rules on registration, licensing, liability, insurance and safety inspections, but could not set self-driving car performance standards.

Automakers praised committee passage, while Consumer Watchdog privacy director John Simpson said preempting state laws "leaves us at the mercy of manufacturers as they use our public highways as their private laboratories."

General Motors Co, Alphabet Inc, Tesla Inc, Volkswagen AG and others have been lobbying for legislation to speed deployment of self-driving cars. Consumer advocates want more changes, including giving the National Highway Traffic Safety Administration quicker access to crash data and more funding to oversee self-driving cars.

The issue has taken on new urgency since US road deaths rose 7.7 percent in 2015, the highest annual jump since 1966.

Bank says scandal may have cost about 20,000 people their cars

Wells in another scandal, this time in auto lending

NEW YORK, July 29, (AP): Scandal-plagued Wells Fargo is back in hot water for signing customers up for products that they didn't need or want. This time it's auto insurance, and the bank says it may have cost about 20,000 people their cars.

San Francisco-based Wells Fargo acknowledged late Thursday that it enrolled roughly 570,000 auto loan borrowers for what's known as collateral production insurance on their vehicles when the customers already had appropriate insurance. It will pay $80 million in refunds and account adjustments to those people. "We take full responsibility for our failure ... and are extremely sorry for any harm this caused our customers, who expect and deserve better from us," said Franklin Codel, the head of Wells Fargo Consumer Lending, in a statement.

If the situation seems familiar, it is. Nearly a year ago, Wells Fargo admitted that its employees opened up to 2 million accounts for customers without getting their permission in order to meet overly aggressive sales goals. The bank paid $180 million in fines and penalties and recently reached a settlement to pay an additional $142 million to customers through a class-action lawsuit.

In this file photo, Wells Fargo CEO & President Timothy Sloan is interviewed in one of his bank's branches in New York. Scandal-plagued Wells Fargo is back in hot water for signing customers up for products that they didn't need or want. (AP)

That scandal cost then-CEO John Stumpf his job, and the bank's once-sterling industry reputation was in tatters. The bank's new management has been trying to amends with customers, politicians and the public ever since.

Politicians from both parties were angry with Wells Fargo when the scandal broke last year, and a couple high-profile Democrats were quick to turn up the heat again.

"The constant drip drop of fraudulent activities coming out of Wells Fargo is absolutely outrageous," said Rep Maxine Waters of California, the top-ranking Democrat on the House Financial Services Committee. Sen Elizabeth Warren of Massachusetts called for the Federal Reserve to remove Wells' board of directors. This is not the first time Wells Fargo's auto lending business has come under scrutiny. The bank reached a $4 million settlement with the Justice Department last September for illegally repossessing vehicles from servicemen and women.

In this case, the bank reviewed auto policies placed between 2012 and 2017. Like most auto loan companies, Wells Fargo required borrowers to have comprehensive and collision insurance. If they didn't have comprehensive coverage, Wells would purchase it for the customer and charge them for it.

Wells acknowledged its systems signed up customers who already had insurance. Worse, roughly 20,000 customers were unable to afford the car payment plus the insurance that some did not realize had been added to what they owed, and that "may have contributed to a default that led to their vehicle's repossession," the bank said.