



## Transportation Department issues final fuel economy rule for model years 2027-31

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BY ZACK BUDRYK  
June 7, 2024

The Department of Transportation on Friday issued its final fuel economy standards for passenger cars and trucks with model years 2027 and later, the last of three major auto rules from the Biden administration this year.

The National Highway Traffic Safety Administration (NHTSA)’s final Corporate Average Fuel Economy (CAFE) rule follows the initial proposal, released last July, which the Biden administration presented as more environmentally friendly and a benefit to consumers’ pocketbooks.

Transportation Secretary Pete Buttigieg projected the final rules would increase fuel efficiency for passenger cars about 2 percent, also upping fuel economy about 2 percent for light trucks with model years 2029-31.

The average fuel economy for light-duty vehicles will increase to just more than 50 mpg by the beginning of the next decade and save car and light truck owners more than \$600 in fuel costs over the life of the vehicle, according to the department.

The Alliance for Automotive Innovation, a trade group representing the car and light-truck industries, was broadly supportive of the final rule and said it alleviated some of their earlier concerns.

John Bozzella, president and CEO of the trade group, said it had specifically been concerned last year about whether automakers would be considered in violation of CAFE rules if they complied with Environmental Protection Agency (EPA) rules, which does not appear to be the case in the final rule.

“Those fines wouldn’t have produced any environmental benefits or additional fuel economy and would’ve foolishly diverted automaker capital away from the massive investments required by the electric vehicle transition. It looks like the left hand knew what the right hand was doing. That’s the kind of coordination we recommended. So that’s good and appreciated,” he wrote.

However, he said, the rule did raise the question of the modern utility of fuel economy rules as the sector moves toward electrification.

On the environmental policy side, the Center for Biological Diversity’s Safe Climate Transport Campaign criticized the final rule as allowing too much pollution and eschewing its own most stringent option, which would have improved car efficiency by about 6 percent annually and light trucks by 8 percent.

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