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## **Cars Reach Record Fuel Economy but Largely Fail to Meet Biden's EPA Standard, Agency Says**

Environmental Protection Agency rules finalized in 2021 required car makers to reach 6.5% year-to-year improvement in fuel economy for 2023 model cars. Among large manufacturers, just BMW and Mercedes reached the threshold, the EPA reported.

**Auto companies, “despite having ample time, ample money, and relatively light regulatory duties, still fail to follow the law,” said Dan Becker of the Center for Biological Diversity.**

**Auto makers that fail to meet emissions standards can use carbon credits. Credits can be earned by having carbon-saving features on cars, Becker said.**

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Automakers reached a record-high average for fuel economy in their 2023 model year but only BMW and Mercedes achieved the fuel economy standard the Biden administration set in 2021, the U.S. Environmental Protection Agency stated this week in its annual automotive trends report.

The average fuel economy of new vehicles increased 1.1 miles per gallon to an average of 27.1 mpg, the EPA found. But BMW and Mercedes were alone among large manufacturers in reaching the 6.5% year-to-year improvement in fuel economy for 2023 model cars that President Joe Biden's EPA set.

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The manufacturers with the best fuel economy and least polluting were electric-car maker Tesla (120.6 mpg), Kia (30.4 mpg) and Hyundai (29.8 mpg), according to the EPA. Those with the worst fuel economy and the most polluting were Stellantis (21.8 mpg), General Motors (22.4 mpg) and Ford (23.2 mpg), the EPA added.

**Auto makers that fail to meet emissions standards can use carbon credits. Credits can be earned by having carbon-saving features on cars, Becker said.**

In July, GM agreed to return 50 million metric tons of carbon credit to the EPA amid agency allegations that 5.9 million of its vehicles from 2012 to 2018 had excess carbon emissions.

The EPA's annual report found that 10% of all 2023 vehicles manufactured were battery-powered electric cars, up from 5% in 2022. Another 9% were either plug-in hybrids or traditional hybrids.

Having electric and hybrid vehicles on the road has led to an 11% reduction in carbon emissions, the EPA stated.

President-elect Donald Trump has said he would press for repeal of the Inflation Reduction Act, which included subsidies and tax credits for auto manufacturers and consumers to meet Biden's goal of having 50% of all new car sales be for electric vehicles by 2030.

But given the large investment in electric cars by manufacturers, a total retreat seems unlikely, said David Skillman, managing director at Arnold & Porter.

"There's no reason that Trump should want to ... abandon these substantial investments in batteries and renewable energies and things like that," Skillman said. "Those are very meaningful to communities across the country and many of them in states that have large numbers of Republicans."

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The American Petroleum Institute, a trade association that represents the oil and gas industry, has listed repealing fuel economy standards as a top policy priority for 2025.

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