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Trump's Transportation Chief Calls for Lowering CAFE Standards

Newly confirmed DOT Secretary Sean Duffy directed the National Highway Traffic Safety Administration to make good on President Donald Trump's pledge to slow or stop the shift to electric vehicles.

By Mike Lee
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Hours after he was confirmed Tuesday by the Senate, Transportation Secretary Sean Duffy ordered his agency to start work on one of President Donald Trump's top priorities — lowering fuel economy standards for cars and trucks.

The Corporate Average Fuel Economy standard, which the Transportation Department approved in June, was part of the Biden administration's broader plan to combat climate change and promote electric vehicles. Trump promised throughout his campaign to change the regulation and get rid of other policies

encouraging EVs — and on Duffy's first day in office he followed through on his new boss's pledge.

Duffy signed a four-page memo directing officials at the National Highway Traffic Safety Administration to "commence an immediate review and reconsideration of all existing fuel economy standards, applicable to all models of motor vehicles produced from model year 2022 forward."

The memo did not suggest a new level for the fuel economy standards, but Duffy's directive is in line with a pattern that goes back several administrations.

When President Barack Obama was in office, he increased fuel economy standards as part of a broader effort to lower greenhouse gas emissions and decrease fuel costs for drivers. Trump rolled back those increases during his first term in the White House, arguing that higher fuel economy standards make cars more expensive.

Biden then rewrote Trump's plan and set a new rule for future years. The most recent Biden-era CAFE standard raised the fleetwide average from 46.7 miles per gallon in model year 2026 to 50.4 mpg in model year 2031.

Duffy ordered NHTSA to revisit both Biden-era standards — for 2024 through 2026 and for 2027 through 2031.

"Artificially high fuel economy standards designed to meet non-statutory policy goals, such as those promulgated by NHTSA in recent years, impose large costs that render many new vehicles unaffordable for the average American family and small business," Duffy's memo said.

He didn't offer a target range but said the new rule should meet goals that the White House set last week in an executive order on energy policy, including lowering costs and "ensuring a level playing field for consumer choice in vehicles."

A main driver of the move is Trump's intent to stop or slow a broader shift to electric vehicles, which scientists say is key to reducing the planet-warming emissions produced by automobiles.

Trump repeatedly attacked the Biden administration's efforts to encourage this shift, and the Duffy memo echoed Trump's thinking.

Biden's fuel economy standards were "set at such aggressive levels that automakers cannot, as a practical matter, satisfy the standards without rapidly shifting production away from internal-combustion-engine (ICE) vehicles to alternative electric technologies."

In spite of Duffy's quick turnaround with the memo, experts say it could still take months or even years for the department to issue a public notice, collect comments and finalize the new plan. And it'll likely churn up arguments that dragged on for part of Trump's first term.

Trump and Duffy are right that vehicles have gotten more expensive and that electric vehicles typically cost more than internal-combustion cars and trucks. But a key factor behind the price increase has been a shift toward larger, more luxurious SUVs and pickup trucks, according to industry data.

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