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Detroit’s Carmakers to Save Billions in Trump Emissions Rollback

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(Bloomberg) — President Donald Trump’s push to cut federal sales incentives and roll back emissions standards is shaping up to be a multibillion-dollar gift to Detroit’s automakers as they shift investments into gasoline-fueled cars.

General Motors Co ([GM](#)), last week said it would cut electric-vehicle production plans at two factories as it overhauls a third plant to make gas-fueled pickups, instead of battery-powered trucks. Ford Motor Co. ([F](#)) is moving funds from a canceled three-row electric SUV to future internal combustion engine vehicles and hybrids, while Jeep-owner Stellantis ([STLA](#)) NV is resurrecting the thirsty Hemi V-8 engine.

Although not yet finalized, the deregulatory push is clearing the way for Detroit’s legacy automakers and their traditional rivals to reallocate billions of dollars earmarked for EVs and other costs linked to pollution rules. GM has spent \$3.5 billion since 2022 purchasing so-called regulatory credits to help the company meet fuel economy and tailpipe emissions requirements – a less-needed currency if Trump’s policies stick.

Ford has similarly cut its own credit-purchase commitments by nearly \$1.5 billion this year alone, money it now plans to reallocate to gas-powered models and hybrids.

The shift in policy “has the potential to unlock a multibillion-dollar opportunity over the next two years,” Ford Chief Executive Officer Jim Farley recently told analyst.

Trump’s \$3.4 trillion fiscal package sunsets the \$7,500 tax credit for EV buyers on Sept. 30. It also zeroed out fines faced by automakers that fell short of fuel-economy mandates, negating the need to buy credits under those rules. Stellantis paid \$190 million in penalties in each of the last two years.

Eliminating the fines “will save us money in 2026 and beyond for sure,” GM Chief Financial Officer Paul Jacobson told investors last month.

Separately, the US Environmental Protection Agency has proposed rescinding stringent rules limiting tailpipe greenhouse gas emissions from cars and the president signed legislation effectively terminating similar regulations set by California.

“The EPA’s decision and their posture has really changed a lot in the US,” Farley said on the company’s second-quarter earnings call.

Farley said he expects the biggest beneficiary will be the company’s Ford Blue division that builds internal combustion engine vehicles and hybrids. The unit “has carried a lot of the compliance burden” under the previous emissions regulations.

The carmaker is in the process of retooling its plant in Oakville, Ontario, to make Super Duty F-Series pickups starting next year. The factory had been in line to produce EVs until Ford scrapped that plan last year in response to sluggish demand for battery-powered models.

Critics have assailed Trump for attacking policies to curb pollution from automobiles, one of the largest contributors of planet-warming emissions. Under President Joe Biden, the EPA said the rules would reduce carbon dioxide emissions

by about 7 billion metric tons over the life of the program — more than the US emits in a year — and save drivers about \$6,000 in fuel and maintenance costs.

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But automakers blasted the standards, arguing they were so stringent that companies were being pushed to sell more plug-in models than the market would bear.

“I would be surprised if there aren’t fewer EV retailers or EV sellers in the next four to five years,” Jacobson said at a JPMorgan conference.

The assembly line at the General Motors Orion Assembly plant in in Lake Orion, Michigan.

GM believes it can capture a bigger slice of the EV market as rivals pull out, but the automaker is happy to do so at a slower rate.

The company last week said it would operate on just one shift of workers, rather than two, to build the electric Chevrolet Bolt at a factory in Kansas that will start building the revived compact EV in December. The company will also cut a shift at a Tennessee plant making electric Cadillacs to start 2026, thanks to slower demand.

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