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“The cure for pollution and high gas costs is strong fuel economy standards, not killing them as a favor to the president’s Big Oil, Big Auto and OPEC golf buddies,” said Dan Becker, the director of the group’s Safe Climate Transport Campaign. “Trump’s action will feed America’s destructive use of oil, while hamstringing us in the green tech race against Chinese and other foreign carmakers.”

Fuel savings vs. car costs: Trump to roll back Biden vehicle rules

The administration announced the new standards Wednesday.

By Chris Marquette
3 December 2025

President Donald Trump just delivered his newest blow against the electric car.

At a White House event Wednesday surrounded by auto executives and congressional lawmakers, Trump said that his administration is relaxing the vehicle fuel economy standards that served as a crucial piece of former President Joe Biden’s efforts to encourage the adoption of electric cars. Trump’s aides are also promoting the changes as a push to make cars more affordable — one attempt to

address complaints about rising consumer costs that are plaguing Republicans in the polls.

The proposal includes a step to prevent future efforts by California to set tougher fuel requirements than those imposed by the federal government

The move comes after a long series of Trump administration efforts to eradicate Biden's clean energy policies. Those include Trump's repeal of the \$7,500 consumer tax credit for EV purchases, as well as his attacks on California's ability to set toughest-in-the-nation pollution requirements that had been expected to drive a sharp increase in EV adoption. In their megalaw they passed over the summer, Republicans eliminated any monetary penalties for automakers who don't comply with fuel efficiency standards.

Trump said Wednesday the move would save consumers around \$1,000 on purchases of new cars and get rid of regulations he sees as "anti-economy" and "horrible." Transportation Secretary Sean Duffy said the Biden-era standards were "completely unattainable" and were driving up the costs of cars by forcing auto companies to spend more money on the technology.

Wednesday's proposal from the Transportation Department addresses the decades-old Corporate Average Fuel Economy program, which [Biden's regulators had tightened](#) by boosting the standard for light-duty vehicles to 50.4 miles per gallon by 2031. Cars now get an average of 24.4 miles per gallon, [according to the Department of Energy](#).

The new standards, released by the Transportation Department on Wednesday, propose to increase the fuel economy in a much more incremental and workable way for automakers. DOT estimates the new rule will up the average vehicle mile per gallon to 34.5 by 2031.

The DOT plan will significantly revise the Biden administration's approach by removing language that incorporated electric vehicles in judging automakers' compliance with the standards. The National Highway Traffic Safety Administration also does not consider performance of plug-in hybrids and compliance credits in the calculation.

‘Complete reset’

Deputy Transportation Secretary Steven Bradbury predicted in a speech last month that the administration would propose a “complete reset” of the decades-old Corporate Average Fuel Economy program, which he contended would bring “something on the order of \$100 billion in cost savings for the U.S. economy.”

However, easing fuel economy requirements is unlikely to deflate new vehicle prices, especially in the short term. Automakers’ production plans are largely set years in advance, while other factors — including tariffs, supply chain issues, new technologies such as autonomous cars and Americans’ desire for bigger vehicles — play larger roles in sticker shock, according to industry analysts.

Stephanie Brinley, an automotive analyst at S&P Global, said that rolling back the Biden-era efficiency standards might bring down the average price of the overall U.S. passenger vehicle fleet because fewer electric vehicles will be built, meaning that the more expensive part of the fleet will shrink.

But that doesn’t mean that the average American will see car or truck prices fall at the local auto lot, she added. Cutting fuel efficiency standards “will not make internal combustion engine vehicles cheaper than it was in December of last year. It will not make an electric vehicle cheaper than it was in December of last year. The price will not drop.”

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But Trump's officials have accused the Biden administration of overstepping by pushing vehicles that consumers don't want.

The new rulemaking (Reg. 2127-AM76) "seeks to return CAFE programming to its roots of providing for fuel economy standards and energy conservation needs in a way that balances technological and economic factors and can be achieved through traditional gasoline and diesel technology," National Highway Traffic Safety Administration leader Jonathan Morrison said Tuesday at a conference hosted by the Alliance for Automotive Innovation.

Morrison said it was imperative to allow buyers to purchase more affordable cars of their choosing. The average price of a new car went above \$50,000 this year, [according to Kelley Blue Book](#), a significant [rise from 2020](#) when the average car price was around \$40,000. Erin Keating, an analyst at Cox Automotive, said when the numbers were released in October that costs have risen, in part, due to [inflation and tariffs](#).

"Our proposal would have substantial cost savings for the total economy, as well as consumers," Morrison said Tuesday.

Scapegoating EVs?

But high vehicle prices aren't due to electric vehicles or federal rules that boosted them, said Albert Gore III, executive director of the Zero Emission Transportation Association.

"I think there is a pattern of scapegoating EVs for a dramatic increase in overall new vehicle transaction prices over the last decade, which has nothing to do with EVs but a lot to do with the U.S. auto market," he said.

Gore also argued that claims from the administration that their actions will save consumers money only consider lower upfront costs, not the increased amount owners will have to pay at the pump over the lifetime of the vehicle. And he noted that every prior federal vehicle standard — such as rules requiring cars have seat belts and air bags — came with resistance but ultimately proved beneficial.

“Whether it’s saving lives or saving gas, the cost is dramatically exaggerated and the benefit is always ignored in these arguments that focus on affordability,” Gore said.

The Environmental Protection Agency has already proposed eradicating a separate [Biden administration rule](#) that imposed limits on cars’ and light trucks’ greenhouse gas pollution. That rule is expected to be finalized in the coming months. And Trump has taken steps to [overturn California vehicle emissions standards](#) that had been expected to hasten the adoption of electric vehicles.

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