

INDIA TODAY

Trump eases US fuel economy rules as petrol prices climb

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The Trump administration has relaxed US fuel economy standards for cars and light trucks through 2031. The move deepens its retreat from EV-friendly policy and has triggered fresh criticism over higher fuel use and emissions.

By: India Today World Desk
Sep 28, 2026

The Trump administration on Monday released new fuel economy standards that ease regulatory requirements for carmakers to curb pollution from petrol-powered cars and light trucks. The move, which advances President Donald Trump's push to roll back policies that encouraged or incentivised electric vehicles, came shortly after he rejected an Iranian proposal to open the Strait of Hormuz, sending oil prices higher.

The Department of Transportation and the National Highway Traffic Safety Administration said the final standards would translate into a combined industry-wide average of about 34.9 miles per gallon for passenger cars and light trucks in the 2031 model year. That is below the 50.4 miles per gallon projected for 2031 under rules put in place by the Biden administration.

Fuel economy requirements set out how far new vehicles must travel on a gallon of fuel. NHTSA had projected last December that the new standards would be roughly 34.5 miles per gallon.

Announcing the change, Transportation Secretary Sean Duffy said: "Thanks to President Trump's leadership, we have finally ended the illegal mandate that forced automakers to produce more expensive electric vehicles that American families didn't want." He said the move would help vehicle affordability, vehicle safety and investment in American auto workers.

Trump wrote on his Truth Social account on Saturday that the less stringent mileage requirements would "take the waste out of building cars in America" and save families "thousands on a new, beautiful and safe car", while boosting auto production in the US.

Since taking office, Trump has pulled back auto tailpipe emissions rules, repealed fines for carmakers that do not meet federal mileage standards and ended consumer credits of up to USD 7,500 for EV purchases. The administration and carmakers have said the new rules will increase Americans' access to the full range of petrol vehicles they need and can afford.

John Bozzella, president and CEO of the Alliance for Automotive Innovation, which represents the domestic auto industry, said: "NHTSA made the right call to better align fuel economy standards with the law and current market conditions." He added: "The standards finalised under the previous administration effectively required a switchover to electric vehicles that was out of step with market realities and customer demand. Today's final rule is an appropriate course correction." Bozzella also said: "What the industry needs is long-term regulatory stability that includes balanced, durable and achievable fuel economy standards that continue to reduce emissions and improve fuel economy. As we've said before: This is the formula for preserving consumer vehicle choice and keeping the US auto industry globally competitive."

A Ford Motor Company spokesperson said: "We appreciate Secretary Duffy and the Administration's work to align regulations with market realities. As we evaluate the final rule's full impact on our business, we'll continue working with the Administration to build a strong American auto industry." General Motors and Stellantis did not immediately respond to requests for comment.

The average new car in America sold for USD 50,089 in August, crossing the USD 50,000 mark for the first time since last December, according to Kelley Blue Book data. At the same time, Americans are spending more on petrol as Washington's war with Iran disrupts the global flow of fuel. The national average price for a gallon of petrol was USD 4.47 on Sunday, up from USD 4.09 a month ago, according to AAA.

Trump has repeatedly pledged to end what he calls an EV "mandate", referring to President Joe Biden's target that half of all new vehicle sales be electric by 2030. No federal policy has required auto companies to sell EVs. According to data from Edmunds, EVs accounted for 6.5 per cent of new vehicle sales in February, down from 7.4 per cent for all of 2025.

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millions of fuel-efficient cars already on the road". He added: "Trump is tanking sensible mile per gallon standards at the worst possible time for consumers, who are getting hit with sky-high prices at the pump. Consumers will pay the price for these reckless rollbacks while Trump's Big Oil and Big Auto buddies reap the short-term profits."

Katherine Garcia, director of the Sierra Club's Clean Transportation for All campaign, said the group would fight the rule and that the easing of fuel standards would "make driving more expensive too". She added: "Less fuel-efficient cars mean more gas burned, spending more at the pump, and dirtier air in our communities."

When the 2024 standards took effect, NHTSA estimated they would save 14 billion gallons of fuel from being burned by 2050. The agency also said that while new fuel-efficient vehicles cost more upfront, savings on fuel over the vehicle's lifetime would more than make up for that. Without these standards, in 2035, cars could produce 22,111 more tons of carbon dioxide a year than under the Biden-era rules, along with an extra 90 tons a year of soot particles and 4,870 additional tons a year of smog-forming pollutants such as nitrogen oxides and volatile organic compounds.

Mileage standards, known as corporate average fuel economy or CAFE, have been in place since the 1970s energy crisis, with vehicle efficiency improving over time. The new rule marks a sharp shift from the Biden-era path, with the administration, carmakers and environmental groups giving sharply different views on its impact on costs, fuel use and emissions.

<https://www.indiatoday.in/world/story/trump-eases-us-fuel-economy-standards-cuts-2031-mileage-target-to-349-mpg-ptag-3005092-2026-09-28>