



Fuel Costs Will Increase, and Carbon Emissions Too, After Trump's CAFE Standards Rollback

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The Trump administration’s new policy will make the high cost of living even more unaffordable

By Dana Drugmand

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The Trump administration finalized a rule on Monday that significantly rolls back fuel economy standards on motor vehicles—a move that critics say will harm public health and the environment and hit consumers in the pocketbook. It comes at a time when gas prices have skyrocketed and Americans are reeling from both an affordability crisis and climate crisis driven by fossil fuels.

“Families already cannot afford the basics, and now Donald Trump wants to make driving more expensive too,” said Katherine García, director of the Sierra Club’s Clean Transportation for All

program. “Less fuel-efficient cars mean more gas burned, spending more at the pump, and dirtier air in our communities. Americans need relief from high costs, but instead Trump is giving automakers a free pass on pollution and handing families the bill—at the pump and with their health.”

Congress first established corporate average fuel economy (CAFE) standards in the 1970s in response to the oil embargo crisis. Overall, the program has reduced gasoline consumption by more than 2 trillion gallons and saved drivers \$5 trillion in fuel costs while preventing 14 billion metric tons of CO₂ emissions, according to a 2020 analysis from Princeton University researchers.

The new rule repeals the 2024 CAFE standards set during the Biden administration, which were estimated to lower gasoline consumption by tens of billions of gallons and avoid more than 710 million metric tons of climate pollution. Those standards were also projected to save Americans over \$23 billion in fuel costs. Automakers were expected to achieve an average fleet-wide standard of 50.4 miles per gallon by 2031.

The Trump administration’s rule, which applies to passenger cars and light trucks for model years 2022 to 2031, guts these requirements, lowering the fuel economy standard by more than 30 percent to an average of just 34.9 miles per gallon by 2031—a level that is below what vehicle fleets on the road today have already achieved.

“While consumers are paying an average of \$4.49 a gallon of gas, the Department of Transportation is setting standards that require only 34.9 miles per gallon (mpg) by 2031 even though Congress required standards of at least 35 mpg for vehicles manufactured six years ago. In other words, we are backsliding in fuel economy at a time when gas prices have increased more than 40 percent since the war in Iran began,” Ann Carlson, faculty director of the Emmett Institute on Climate Change and the Environment at UCLA School of Law who served in the Department of Transportation and helped set the CAFE standards during the Biden

administration, wrote in a new blog piece.

“Setting fire to the lifeboat”

The Trump administration argues that the Biden standards were unlawful and amounted to an electric vehicle mandate. Their “Freedom Means Affordable Cars” rollback, they say, will lower the cost of new vehicle purchases (by an average of \$1,300) and increase consumer choice and vehicle safety.

“While Joe Biden and Pete Buttigieg pushed a green agenda that made our roads less safe and drove up costs for hardworking Americans, this administration is delivering relief to families and reviving the beating heart of American manufacturing,” said Transportation Secretary Sean Duffy.

Critics, however, contend that the administration’s actions, such as starting a war with Iran and imposing tariffs on global trading partners, along with rollbacks of CAFE and other standards, are having the opposite effect of delivering relief to Americans.

“Trump’s economic and foreign policy crises are already leaving families underwater from rising gas prices—and by attacking fuel economy standards, he’s also setting fire to the lifeboat,” Senator Ed Markey (D-MA), said in a statement.

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The National Highway Traffic Safety Administration (NHTSA) acknowledges in its Final Supplemental Environmental Impact Statement that the administration’s changes to fuel economy standards would result in more climate and air pollution and greater health impacts. Fuel consumption and CO₂ emissions would rise along with emissions of pollutants like carbon monoxide, volatile organic compounds, and formaldehyde.

“Overall, the health effects due to changes in criteria pollutant emissions through 2050 are projected to increase,” NHTSA states.

Katie Huffling, executive director of the Alliance of Nurses for Healthy Environments, said that gutting the fuel economy standards “moves our nation in the wrong direction for public health.”

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Environmental advocates also argue that the rollback ignores the feasibility of cleaner vehicle technologies and the millions of fuel-efficient cars already on the roads, in violation of the legal requirement that fuel economy standards be set at the “maximum feasible level.” Court challenges to the Trump administration’s move are expected.

“This rollback is not only bad policy; it also violates the law,” said Atid Kimelman, an attorney at the Natural Resources Defense Council.

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Project 2025 in action

NHTSA issued its proposed rule to roll back fuel economy standards last December, following a memofrom Duffy in late January 2025 titled “Fixing the CAFE Program” that directed the agency to undertake an immediate review of the standards going back to the year 2022. The memo came in response to Trump’s day-one executive order “Unleashing American Energy” that

called for doubling down on fossil fuels and ending what it said was an EV mandate, even though there was no such policy requiring automakers to produce and sell only electric vehicles.

The move to repeal the Biden-era fuel economy standards can be sourced to Project 2025—an instruction manual of sorts published by the Heritage Foundation to help guide the new administration. The documents specifically recommended that the next administration “reduce proposed fuel economy levels,” rolling them back to the 2020 fleet-wide average of 35 mpg. It also recommended revoking California’s waiver to set more stringent standards than federal standards. The Trump administration and Republican-controlled Congress are continuing to push this forward.

Loosening or repealing fuel economy and emissions standards on motor vehicles directly benefits the oil industry’s bottom line. In an agenda outlining its top 2026 priorities, the American Petroleum Institute called for “finalizing NHTSA CAFE and EPA tailpipe rules that maintain a range of vehicles and fuels.” Another oil industry trade association, American Fuel & Petrochemical Manufacturers, issued a statement thanking the Trump administration for the CAFE standards rollback.

The rollback comes amid a slew of other deregulatory actions by the administration, which is repealing or weakening standards—including energy cost-savings measures and environmental protections—on everything from power plants and motor vehicles to home appliances and refrigerants. Just two weeks ago, Trump’s Environmental Protection Agency axed the 2024 carbon pollution standards for existing coal and new gas plants and proposed eliminating CO₂ emissions controls on the power sector altogether by revoking the EPA’s finding that these emissions endanger public health and welfare. That followed a move by the agency in February rescinding its 2009 greenhouse gas endangerment finding for motor vehicles and repealing tailpipe emissions standards.

Methane standards requiring oil and gas producers to fix methane leaks and cease wasteful flaring could be next on the chopping block. The administration is expected to soon weaken

these standards, which in 2024 set limits for the first time on methane pollution from both new and existing oil and gas operations.

“For decades, our national fuel economy standards have steadily made our vehicles more efficient and less expensive to drive,” Andy Su, senior transportation attorney at Environmental Defense Fund, said in a statement. “Now these Trump administration rules will be a sharp U-turn that will mean wasted gas, more pollution, and higher costs for Americans who are already struggling with high fuel prices.”

<https://www.sierraclub.org/sierra/fuel-costs-will-go-even-higher-and-carbon-emissions-too-thanks-trump-s-cape-standards>