



**National Conference of State Legislatures
Office of State-Federal Relations**

EPA Issues Notice of Intention to Review Vehicle Mileage Standards

March 15, 2017

On March 15, the U.S. Environmental Protection Agency (EPA) [announced](#) its intent to review its [Final Determination of the Mid-Term Evaluation of Greenhouse Gas \(GHG\) Emission Standards for Model Year 2022-2025 Light Duty Vehicles](#), and coordinate its reconsideration process with the Department of Transportation (DOT).

In 2012, EPA and DOT [finalized](#) a rule outlining both Corporate Average Fuel Economy (CAFE) Standards and GHG emission standards for light-duty vehicles model years (MY) 2017-2025 that set targets to increase fuel efficiency for light-duty vehicles from 35.5 miles-per-gallon in 2016 to 54.5 by MY 2025. Specifically, DOT's National Highway Traffic and Safety Administration (NHTSA) sets and enforces the CAFE standards, while the EPA calculates average fuel economy levels for automakers, and sets related GHG standards.

Under the rulemaking, EPA made a regulatory commitment to conduct a Midterm Evaluation (MTE) of the standards for MYs 2022-2025. The MTE began on Nov. 30, 2016 when EPA [proposed](#) its determination to maintain MYs 2022-2025 standards. The determination was based on input from various stakeholders, and the Draft Technical Assistance Report, [published](#) in July 2016. Further, EPA cited developments in powertrain technology, vehicle electrification, the penetration of fuel efficient technologies in the marketplace and subsequent customer acceptance, and current trends in fuel prices and the vehicle fleet as its decision to maintain the standards. In January 2017, well ahead of its April 2018 deadline, EPA [issued its final determination](#), which maintained the standards set forth in the initial rule. In response, members of the automobile industry [claimed](#) that the 2022-2025 requirements are too costly and difficult to meet and requested the new administration review EPA's January 2018 report.

The March 15 announcement indicates that EPA will not only reconsider its final determination, but it will also "coordinate its reconsideration with the parallel process to be undertaken by NHTSA regarding CAFE standards for cars and light trucks for the same model years." The notice calls for "additional consultation and coordination with NHTSA," because CO₂ comprises most of the GHG emissions, which EPA regulates, and the majority of fuel technologies

available for regulating those emissions do so by improving fuel economy. The notice reaffirms the April 2018 deadline for a new Final Determination. Additionally, the notice emphasizes that NHTSA's MYs 2022-2025 CAFE standards will be a "de novo" rule with "fresh inputs and a fresh consideration and balancing of all relevant factors."

In addition to the standards issued by EPA, the agency also granted California a [waiver](#) in 2009, which EPA had previously denied, allowing it to potentially set more stringent GHG emission standards for light-duty vehicles than the federal government based on [Clean Air Act \(CAA\) Section 209](#). A second [waiver](#) was approved by EPA in 2013, which granted California's request to regulate GHGs in light-duty vehicles through 2025. Additionally, under CAA Section 17, other states can adopt California's requirements. Currently, 13 states comprising 40 percent of the auto market follow California's program. It remains unclear if EPA will seek to revoke these waivers.

For any further questions or concerns on the executive order, please contact NCSL staff [Ben Husch](#) (202-624-7779) or [Kristen Hildreth](#) (202-624-3597).