



Information Alert

State-Federal Relations Division

Aug. 2, 2018

The U.S. Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) issued a proposed rulemaking, the [“Safer Affordable Fuel-Efficient \(SAFE\) Vehicles Rule for Model Years \(MY\) 2021-2026 Passenger Cars and Light Trucks.”](#) to amend existing Corporate Average Fuel Economy (CAFE) standards and motor vehicle greenhouse gas (GHG) emission requirements. Specifically, NHTSA is tasked with promulgating CAFE standards, while EPA is tasked with regulating tailpipe greenhouse gas emissions from vehicles.

In 2012, EPA and NHTSA [finalized](#) a rule outlining both CAFE standards and GHG emission standards for light-duty vehicles for model years (MY) 2017-2025. The rule established targets to increase fuel efficiency for new light-duty vehicles from 35.5 miles-per-gallon in 2016 to 54.5 by MY 2025, while also finalizing GHG emission limits that corresponded to the above standards. Additionally, as part of the 2012 rulemaking, EPA was required to conduct a midterm evaluation (MTE) of the standards for MYs 2022-2025. In January 2017, ahead of the MTE’s April 2018 deadline, the EPA, under the Obama administration, [issued its final determination](#), which maintained the standards set forth in the initial rule. In August 2017, under the new administration, EPA [formally](#) began the process of reconsideration of this final determination. In April 2018, then-EPA Administrator Scott Pruitt finalized the review and announced the agency would begin a joint notice and comment rulemaking to set more “appropriate GHG emissions standards and CAFE standards.”

This proposal acts on that April announcement, requesting comments on [various options to amend the existing standards](#), including a “preferred scenario” that would freeze fuel economy standards at 2020 levels for vehicle model years 2021-2027 at an average of 37 mpg, as well as a revocation of California’s Clean Air Act Section 209 waiver.

The administration’s justification for the proposal is that “current estimates indicate that the proposed SAFE Vehicles Rule would save over 500 billion dollars in societal costs and reduce highway fatalities by 12,700 lives (over the lifetimes of vehicles through MY 2029). U.S. fuel consumption would increase by about half a million barrels per day (2-3 percent of total daily

consumption, according to the Energy Information Administration) and would impact the global climate by 3/1000th of one degree Celsius by 2100, also when compared to the standards set forth in 2012.”

California’s waiver allows the state to set more stringent GHG emission standards than the federal government for light-duty vehicles. If such a revocation were to be finalized it is likely to result in a lengthy legal dispute and would also directly impact the 12 states and the District of Columbia, which have also adopted California’s GHG emission standards per CAA Section 17.

Once the proposal is published in the Federal Register it will be open for comment for 60 days, public hearings will also be held in Washington, D.C., Detroit, Mich. and Los Angeles, Calif. For any further questions surrounding the announcement, please contact NCSL staff [Kristen Hildreth](#) (202-624-3597), or [Ben Husch](#) (202-624-7779).

For more information, please see a number of EPA and NHTSA fact sheets [here](#).