



Information Alert

State-Federal Relations Division

EPA To Revise GHG Emissions Standards for Cars and Light Trucks for MY 2022-2025

April 2, 2018

The U.S. Environmental Protection Agency (EPA) [announced](#) the completion of the Midterm Evaluation (MTE) process for greenhouse gas (GHG) emissions standards for cars and light trucks for model years (MY) 2022-2025, and its final determination that current standards are not appropriate and should be revised. Accompanying the decision, EPA Administrator Scott Pruitt announced the agency would begin a notice and comment rulemaking to set more “appropriate GHG emissions standards and Corporate Average Fuel Economy (CAFE) standards.”

In 2012, EPA and the Department of Transportation (DOT) [finalized](#) a rule outlining both CAFE standards and GHG emission standards for light-duty vehicles MY 2017-2025 that set targets to increase fuel efficiency for new light-duty vehicles from 35.5 miles-per-gallon in 2016 to 54.5 by MY 2025. Specifically, DOT’s National Highway Traffic 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 2012 rulemaking, EPA made a regulatory commitment to conduct a MTE of the standards for MYs 2022-2025. In January 2017, prior to the inauguration of President Donald Trump, and ahead of the MTE’s April 2018 deadline, EPA [issued its final determination](#), which maintained the standards set forth in the initial rule. Its determination to maintain standards was based on input from various stakeholders, the [Draft Technical Assessment Report](#), and 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. 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 the determination.

In March 2017, EPA announced its initial plans to review its final determination, also stating it would “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.” In August 2017, EPA [formally](#) began the process of reconsideration of the final determination.

On April 2, EPA announced its completion of the MTE, stating that previous standards were set “too high,” and didn’t “comport with reality.” While dates and timeframes remain unclear, the announcement kicks off a new round of notice-and-comment rulemaking to revise the standards for MY 2022-2025 cars and light trucks.

The announcement also creates a new period of uncertainty as California currently holds a federal [Clean Air Act \(CAA\) Section 209 waiver](#), which allows it to set more stringent GHG emission standards than the federal government for light-duty vehicles. In its release today, EPA [noted](#) that California’s waiver is still being reexamined, stating that “cooperative federalism doesn’t mean that one state can dictate standards for the rest of the country.” It remains unclear if the state’s waiver will be revoked, but if it is, NCSL staff believes lengthy legal battles will ensue—especially as California’s own attorney general has [stated](#) the state will “do everything that can be done to defend these, [the existing], standards.” As allowed by CAA Section 17, there are currently 12 states and the District of Columbia which comprise [over a third of the auto market](#), that follow California’s program.

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