



# Trump administration releases final SAFE vehicles rule

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On 31 March 2020, the U.S. Environmental Protection Agency (EPA) and the Department of Transportation National Highway Traffic Safety Administration (NHTSA) [released a new joint rule](#) finalizing the Trump administration's fuel economy and greenhouse gas (GHG) emission standards for light duty vehicles through model year 2026.

EPA, acting under the Clean Air Act (CAA), and NHTSA, acting under the Energy Policy and Conservation Act, have adopted and modified standards regulating corporate average fuel economy (CAFE), tailpipe GHG emissions, and various regulatory credit and flexibility programs for passenger cars and light trucks, applicable to model years 2021 through 2026. *Specifically, under the new rule, CAFE and GHG standards will increase in stringency by 1.5 percent each year from model year 2021 through model year 2026 for all light-duty vehicles.* These changes represent a marked rollback from the Obama-era standards, which would have required a 5 percent increase in stringency each year. However, the new standards are more stringent than the agencies' initial preferred alternative of freezing standards at model year 2020 levels. According to the agencies' reasoning in the rule's preamble:

The standards finalized today fit the pattern of gradual, tough, but feasible stringency increases that take into account real world performance, shifts in fuel prices, and changes in consumer behavior toward crossovers and SUVs and away from more efficient sedans...The cost to both industry and automotive consumers would have been too high under the standards set forth in 2012, and by lowering the auto industry's cost to comply with the program, with a commensurate reduction in per-vehicle cost to consumers, the standards enhance the ability of the fleet to turn over to newer, cleaner, and safer vehicles.

*The new rule largely maintains the CAFE and GHG programs' existing flexibilities, with some small additions and changes. Specifically:*

- EPA will continue to offer flexibilities and credits for reducing air conditioning leakage and using alternative air conditioning refrigerants. Advanced air conditioning compressor technology will also qualify for credits going forward.
- EPA is adding a 2.0 credit multiplier for natural gas-fueled vehicles through model year 2026. Credit multipliers for electric vehicles and fuel cell vehicles will phase out after model year 2021, as currently scheduled.

- EPA is extending the zero grams-per-mile upstream incentive for electric vehicles through model year 2026 (it is currently scheduled to sunset in model year 2021).
- EPA will no longer provide credits for full-sized pickup trucks that are hybrids or that over-perform their GHG targets beginning in model year 2022.

Relatedly, EPA will also retain the CH<sub>4</sub> and N<sub>2</sub>O standards set forth in the original Obama-era 2012 rulemaking for model years 2021 and beyond.

The rulemaking represents the second half of the Safer Affordable Fuel-Efficient (SAFE) vehicles rule. The [first half was published in September 2019](#) and formally revoked the state of California's authority to set stricter GHG standards and to enforce its zero-emission vehicle mandate under CAA waivers received in 2009 and 2013. Part one of the SAFE vehicles rule is already being challenged in [federal district](#) and [appellate courts](#) by a group of U.S. states and environmental NGOs. Additional challenges are expected to the second half of the rule once it becomes effective 60 days after publication in the Federal Register.

## Contacts



**Joanne Rotondi**  
Partner, Washington, D.C.  
T +1 202 637 6470  
[joanne.rotondi@hoganlovells.com](mailto:joanne.rotondi@hoganlovells.com)



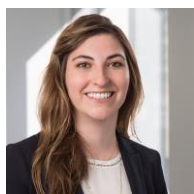
**R. Latane Montague**  
Partner, Washington, D.C.  
T +1 202 637 6567  
[latane.montague@hoganlovells.com](mailto:latane.montague@hoganlovells.com)



**Lance D. Bultena**  
Senior Counsel, Washington, D.C.  
T +1 202 637 5587  
[lance.bultena@hoganlovells.com](mailto:lance.bultena@hoganlovells.com)



**Hannah M. Graae**  
Senior Associate, Washington, D.C.  
T +1 202 637 3664  
[hannah.graae@hoganlovells.com](mailto:hannah.graae@hoganlovells.com)



**Hillary Neger**  
Associate, Washington, D.C.  
T +1 202 637 8835  
[hillary.neger@hoganlovells.com](mailto:hillary.neger@hoganlovells.com)

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