

The Safer Affordable Fuel-Efficient “SAFE” Vehicles Rule

The U.S. Department of Transportation (DOT) and Environmental Protection Agency (EPA) are announcing a joint-proposal (The Safer Affordable Fuel-Efficient “SAFE” Vehicles Rule) to address the current corporate average fuel economy (CAFE) and greenhouse gas emissions standards and provide more appropriate alternatives that balance economics (such as affordability, consumer choice, and safety), technology, energy conservation and pollution reduction.

What this is:

- A federal Notice of Proposed Rulemaking (NPRM) that asks for public comment and input on a variety of options to replace the 2012 standards.
- A proposal resulting from over one year of transparent, facts-based analysis performed by expert career staff using reliable data. The Agencies are seeking public feedback on both the findings and the scientific process.

What this isn't:

- A final rule or implementation of new regulations
- A “rollback” of fuel standards – fuel economy standards will continue to increase in the years ahead and no option in the proposal would lower them from today’s requirements.

Overview of the Proposed Rule

- EPA and DOT are jointly proposing a rule to establish fuel economy and greenhouse gas emissions standards for model years 2022-2026. In addition, the two agencies are proposing to modify fuel economy and greenhouse gas emissions standards for model year 2021.
- The proposed rule offers a range of options from a steep increase in fuel economy that would require the electrification of many new vehicles (the previous administration’s approach), to a less stringent option that preserves consumer choice, affordability and safety.
- Our goal is to get this right—to create one national standard that is technologically feasible and economically practicable, while promoting energy conservation, environmental goals, and preserving consumer choice.
- The Administration’s preferred option would lock in the 2020 standards until 2026, because the analysis of our agencies suggests that those standards strike the appropriate regulatory balance between vehicle improvements, environmental benefits, and safety.
- The joint proposal seeks comments on this range of options as well as compliance credits and related flexibilities.
 - The rule also seeks comments on technical matters such as the engineering methods available to improve fuel economy, the costs of re-engineered vehicles,

and the safety and other impacts of modifying the new car fleet to achieve each stringency option.

- Public comment will be sought for a period of 60 days once published in the Federal Register. In an effort to provide transparency for public review, both agencies will make available modeling, input files, technical supporting documents and other materials and will offer WebEx briefings and public hearings.
- The proposal represents continuity with the prior Administration's goal of achieving one national standard of fuel economy and vehicle greenhouse gas emissions regulations issued by EPA and NHTSA, and benefitting consumers by reducing the costs of compliance with separate or conflicting programs across states.

Background

- In 2010, The Environmental Protection Agency (EPA) and the Department of Transportation's National Highway Traffic Safety Administration (NHTSA) established a coordinated program for Federal standards for greenhouse gas (GHG) emissions and corporate average fuel economy (CAFE) for passenger cars and light-duty trucks.

In 2012, the two agencies issued a rule establishing fuel economy and emissions standards for Model Years 2017-2021, and in that same rule EPA (alone) also established emissions standards for Model Years 2022-25.

- This proposed rule seeks public comment on the next phase of that program, in which the two Agencies will establish stringency of the national standard for fuel economy and GHG emissions.
- This action meets the commitment made by the two Agencies in the 2012 rulemaking for EPA to conduct a Midterm Evaluation (MTE) of the GHG standards established for MYs 2022-2025. That Midterm Evaluation has been performed and the two agencies are proposing standards that reflect that evaluation as well as the most current information regarding emerging technology, consumer needs, prices, and the need of the nation to conserve energy.
- NHTSA must set the stringency at a level that is 'maximum feasible' considering:
 - Technological feasibility
 - Economic practicability
 - The effect of other motor vehicle standards of the Government on fuel economy, and
 - The need of the United States to conserve energy.

What are the Benefits?

NHTSA's proposed CAFE standards will save thousands of lives and deliver major economic benefits by modernizing the Nation's vehicle fleet and enabling Americans to afford cars and light trucks that on average are newer, safer, cleaner, and more fuel efficient.

- Revising the standards will result in **roughly \$500 billion** worth of economic benefits for the United States. It will be one of the largest regulatory reform measures in history and key to continuing our economic success.
- Already, the previous standards have helped drive up the cost of new automobiles to an average of \$35,000 or more—out of reach for many American families. Indeed, keeping in place the standards finalized in 2012 would add \$2,340 to the cost of owning a new car, and impose more than \$500 billion in regulatory costs on the U.S. economy.
- As a result, NHTSA estimates that the proposed new standards will save approximately half a trillion dollars in regulatory costs for the U.S. economy and will save approximately 12,700 lives over the lifetime of the vehicles covered by the new rules (well more than 1,000 lives saved per year).

How this differs from previous approach

- In the approach proposed in the last Administration, an ambitious path towards increasingly stringent standards was proposed. Because the standards are unlikely to be achieved in the real world, a complex system of credits was established so that vehicle fleets that could not meet the standards could use various credits and offsets to avoid enforcement of the stringent standards.
- The current proposal seeks to take a hard look at reducing reliance on complex credits and offsets and identify a level of stringency that can be achieved by safe, affordable vehicle fleets.
- The approach taken in the last Administration included a closed-door negotiation between automotive executives and politicians, resulting in a fuel economy target that did not take into account either consumer needs or American innovation in energy development. In contrast, this proposal provides for an open, public process that is based on facts and sound science, without back-room deals and secret negotiations.
- Consumers continue to demand new vehicles that will not meet the steep increase in stringency. The proposal seeks to allow consumers to choose vehicles that best meet their needs, including performance, safety and affordability.
- Furthermore, the proposed standards would improve the competitiveness of American manufacturing and job growth in a historically American industry – automotive transportation.

Next steps

- The proposal will be published in the Federal Register and public comments are solicited on all aspects of the rule. The 60-day public comment period allows comments to be submitted electronically to the docket.
- NHTSA and the EPA expect to issue the final rule this Winter.