Comments of the American Council for an Energy-Efficient Economy (ACEEE) on the "Safer Affordable Fuel-Efficient (SAFE) Vehicle Rule III for Model Years 2022 to 2031 Passenger Cars and Light Trucks"
Proposed Rule
(Docket ID No. NHTSA-2025-0491)
February 2026

The American Council for an Energy-Efficient Economy (ACEEE) appreciates the opportunity to comment on the National Highway Traffic Safety Administration's (NHTSA) proposed rule for the Safer Affordable Fuel-Efficient (SAFE) Vehicle Rule III for Model Years 2022 to 2031 Passenger Cars and Light Trucks. ACEEE is an independent nonprofit organization dedicated to advancing energy efficiency policies, programs, technologies, investments, and behaviors. ACEEE aims to build a vibrant and equitable economy that uses energy more productively, reduces costs, protects the environment, and promotes public health and safety. If NHTSA has any questions, please do not hesitate to contact us at transportation@aceee.org.

This proposal would significantly increase fuel costs for millions of drivers because of lower fuel-efficiency levels

ACEEE opposes the proposed rule, which would undo the progress expected under the current rule, leading to less efficient vehicles and significantly higher costs for drivers. The existing standards are expected to reduce gasoline consumption by light-duty vehicles by 64 billion gallons, saving drivers hundreds of dollars each over the life of their vehicles. This rule would undo the majority of the estimated $35 billion in net benefits from the current rule (NHTSA 2024). NHTSA's own modelling of the proposal estimates over $1,000 in additional fuel costs over the life of new vehicles (NHTSA 2025b). Greater fuel efficiency is of particular importance for low-income households, who pay three times as much on gasoline as a percentage of their income compared to higher-income households (Vaidyanathan et al. 2021). At a time when cost of living is a top concern for families, NHTSA's proposal is projected to lead to significant additional fuel costs.

Alongside less efficient vehicles being sold, this proposal would worsen air quality. NHTSA's own calculations estimate that the proposal would increase the health costs associated with vehicle pollution by over $1.5 billion (NHTSA 2025b). The proposal would also lead to a less innovative automotive sector. The CAFE standards have been one of the most successful efficiency standards the federal government has instituted by encouraging the development and adoption of technologies that save drivers considerably. Since the inception of CAFE standards, fuel efficiency of personal vehicles has nearly tripled (Environmental Protection Agency 2024). By no longer requiring efficiency gains, this proposal will slow innovation in the automotive sector and make domestic automakers less competitive abroad.

NHTSA did not propose the maximum feasible efficiency standard as required

As stated in the Energy Independence and Security Act of 2007, NHTSA is required to set the maximum feasible average fuel economy for each model year (H.R.6 2007). The proposed standard is not the maximum feasible for two reasons. First, it removes plug-in vehicles from the baseline, making the proposal's required efficiency levels artificially low and easily met by automakers. Second, the proposed standard is weaker than the vehicles automakers are capable of producing. This is demonstrated in NHTSA's own analysis, which assumes automakers will over-comply with the rule. The current rule is feasible and delivers more benefits than this proposal, which should be withdrawn.

The removal of plug-in vehicles misrepresents the real world and undermines the integrity of the standard

This proposal removes plug-in vehicles from the baseline, making NHTSA's baseline efficiency levels and proposed efficiency levels artificially low. Automakers would still be allowed to account for plug-in vehicles when complying with the proposal, and selling a modest number of plug-in vehicles would allow them to comply given plug-vehicles superior efficiency. As a result, automakers would need to make little to no improvements in their fleets. Plug-in vehicles have dramatically increased in popularity, rising from essentially 0% market share in the early 2010s to nearly 15% in 2024. Plug-in vehicles have superior efficiency due to the greater efficiency of electric drive. For model year 2024, all the plug-in vehicles sold collectively raised the fleet of all new vehicles' real-world average efficiency by over 2 miles per gallon (mpg) despite their relatively low market share (Environmental Protection Agency 2024).

If standards are set without accounting for current plug-in vehicles, then standards going forward will be easily met with only a small share of plug-in vehicles. The rise in required fleet efficiency level of this proposal between 2027 and 2031 is only about 4 mpg, and the required level in 2031 is below what was achieved by the fleet in 2024 (NHTSA 2025c).[1] This again shows that these standards are not the maximum feasible, as required, as they can be easily met and they ignore current market realities. No maximum feasible standard can be set from an artificially low baseline that ignores the current state of the automotive industry.

NHTSA's assumption of over-compliance demonstrates that the proposal is not the maximum feasible standard

NHTSA's analysis of the effects of this proposal also makes an assumption, albeit flawed, that automakers will significantly over-comply with the new standard, again showing that the proposed standard itself is not the maximum feasible standard. This difference is depicted in table 1, recreated from the proposed rule, showing that the estimate achieved level is significantly higher than the estimate required level. By projecting that automakers achieve greater efficiency through overcompliance with the proposed standards, NHTSA is admitting that automakers will be able to economically sell more efficient vehicles than required by this proposal. Statute requires NHTSA to consider economic practicability, and NHTSA's own analysis shows that the economically practicable standard is higher than its proposal (H.R.6 2007).

Table 1. Estimated average required and average achieved CAFE levels (mpg) for light-duty fleet

Model Year	2027	2028	2029	2030	2031
Required	30.4	34.2	34.4	34.4	34.5
Achieved	42.2	40.4	40.8	41.1	41.3

Note: Recreated from Table I-2 (NHTSA 2025c)

This assumption of overcompliance results in undercounting the harm to the public in the NHTSA estimates of gasoline consumption, costs to drivers, and air pollution. If automakers were correctly assumed to simply comply with the standard, the difference between this proposal and the existing standards would be significantly larger than current NHTSA estimates. NHTSA's estimate that this

[1] Table I-2

proposal would increase fuel costs for drivers by over $1,000 over the life of the vehicle is an underestimation of the increase (NHTSA 2025b). According to our calculations of the required and achieved fuel efficiency estimations by NHTSA, fuel consumption could increase by potentially 20%, meaning an almost 20% increase in pollution and fuel costs for drivers.

There is no historical basis for assumed overcompliance with a fuel efficiency standard. NHTSA admits in its own Technical Support Document that in the past when standards remained constant, "real-world fuel economy actually dropped slightly" and instead average horsepower improved (NHTSA 2025a).[2] There is no reason to believe that automakers, when faced with a weak standard, would over-comply.

NHTSA's reclassification of many light trucks is welcome but does not make up for weak rule

ACEEE welcomes NHTSA's proposed reclassification of over 60% of vehicles currently treated as light trucks, such as some sport utility vehicles and most crossover vehicles that are generally considered cars by drivers. However, this reclassification does not make up for a weak standard and even with this change the standard would lead to higher costs and energy consumption than the current rule. The vehicle market has shifted toward these vehicles to a significant degree over the past few decades, but their current classification as light trucks has meant that a less stringent standard applies to them (Environmental Protection Agency 2024).

Though this proposal rectifies much of the classification problem by significantly reducing the number of vehicles classified as light trucks, given how much weaker this proposal is than the current standards, the proposed car efficiency curve is still on the whole less stringent than the current light truck curve, meaning the reclassification does not deliver any fuel savings. For example, a vehicle with a footprint of 50 square feet, common for SUVs and reclassified under the proposed standard as a car, has to comply with a standard of a little over 31 mpg in 2031 under the proposal (Environmental Protection Agency 2024; NHTSA 2025c). However, under the current standard, that same vehicle classified as a light truck would still need to reach almost 50 mpg in the same year (NHTSA 2024). This reclassification gives the appearance of a positive change without a real-world benefit. Rectifying the classification of vehicles to reflect how they are used in the real world will only deliver benefits if combined with a stronger, maximum feasible standard.

The U.S. needs strong fuel efficiency standards

NHTSA's proposal would significantly worsen fuel efficiency, leaving drivers paying more at the pump, worsening air quality, and diminishing domestic automakers' ability to compete on a global scale. The current standards are better poised to ensure continued progress in vehicle efficiency. This proposal is not close to the maximum feasible standards, which NHTSA is required to set, and would greatly increase the cost of driving for Americans. Thus, ACEEE urges NHTSA to withdraw this proposal.

[2] Page 6-5

References

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