

Trump's Team Plans To Roll-Back Biden's Strict Fuel, EV Regulations: Report

The move appears aimed at satisfying a Trump campaign promise to "end the EV mandate," and would mirror a similar move during the first Trump administration to dismantle Obama-era vehicle-efficiency rules.

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The move is designed to appease automakers who have complained Biden regulations are too onerous. (File)

Washington: President-elect Donald Trump's incoming administration plans to target federal regulations championed by President Joe Biden that aim to make automobiles more fuel-efficient and incentivize a shift toward electric vehicles, according to two sources in contact with Trump's transition team.

The move appears aimed at satisfying a Trump campaign promise to "end the EV mandate," and would mirror a similar move during the first Trump administration to dismantle Obama-era vehicle-efficiency rules.

Although no such "EV mandate" exists, the Biden administration regulations would effectively require automakers to shift at least 35% of production to EVs in order to meet 2032 requirements, and encourage a gradual phaseout of the production of vehicles that run on fossil fuels.

The incoming administration plans to weaken standards on fuel-efficiency requirements and tailpipe emissions finalized earlier this year by the US National Highway Traffic and Safety Administration and the Environmental Protection Agency, according to the sources. One of the sources said Trump is expected to formally direct those agencies to reconsider the Biden regulations.

The Trump transition team did not immediately respond to a request for comment.

The move to undo Biden's vehicle-efficiency rules was first reported by Bloomberg.

Last week, Reuters exclusively reported that Trump's transition team is planning to kill the \$7,500 consumer tax credit for electric-vehicle purchases - another move that would likely slow an already stalling US EV transition.

During the first Trump administration, it took nearly three years to overturn similar Obama-era regulations. After Trump called for a review of the rules in early 2017, NHTSA and the EPA began the formal process of rewriting the rules in 2018. It took until March 2020 for both agencies to finalize less-stringent rules.

One of the sources said the move is designed to appease automakers who have complained the Biden regulations are too onerous.

General Motors, Ford, Stellantis, Tesla and the Alliance for Automotive Innovation, a trade group representing most major automakers except Tesla, didn't respond to requests for comment.

The move to target vehicle-efficiency standards could be a blow to Tesla, which has earned billions of dollars in recent years by selling credits to other automakers who can't comply with federal vehicle standards and other emissions regulations in US states and other markets around the world.

Because Tesla sells only electric vehicles, it overcomplies with the regulations and generates credits it can sell to others. By loosening the standards, those credits become less valuable.

Tesla CEO Elon Musk was one of Trump's biggest backers and has become an influential adviser since the election.

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During the Biden administration, Tesla pushed for far stricter vehicle emissions regulations than what the EPA ultimately passed.

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