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Contact: Derek Sylvan | (614) 638-8282 | derek.sylvan@nyu.edu

STATEMENT ON NEW CAFE STANDARDS

Today, the National Highway Traffic Safety Administration (NHTSA) released a <u>proposed rule</u> updating the Corporate Average Fuel Economy (CAFE) standards for vehicles sold in Model Year 2027 and beyond. These standards, designed to improve fuel economy for new cars sold in the United States, will decrease harmful vehicle pollution through reductions in oil usage and save consumers money on gas, shielding them from volatile gas prices.

Max Sarinsky, a senior attorney at the Institute for Policy Integrity at NYU School of Law, issued the following statement:

"Consumers frequently stress the importance of fuel economy, but aren't able to exert sufficient market pressure to improve vehicle efficiency on their own. Economic research shows that car buyers often purchase vehicles with worse fuel economy than they would like because purchasing decisions are complicated, confusing, and infrequent. With these new standards, NHTSA steps in to help consumers close the so-called 'efficiency gap' between the fuel efficiency consumers want and the fuel efficiency automakers offer."

In addition to helping Americans save money at the pump, these new fuel economy standards will reduce pollution that harms public health and threatens the climate. This rule will generate major, tangible benefits for Americans."

Sarinsky is available for interviews on this issue.

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<u>The Institute for Policy Integrity</u> at New York University School of Law is a non-partisan think tank dedicated to improving the quality of government decisionmaking. The institute produces original scholarly research in the fields of economics, law, and regulatory policy; and advocates for reform before courts, legislatures, and executive agencies.