



Institute for  
**Policy Integrity**  
NEW YORK UNIVERSITY SCHOOL OF LAW

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## **COURT VACATES TRUMP ADMINISTRATION’S REPEAL OF FUEL-ECONOMY PENALTIES RULE**

Today, the U.S. Court of Appeals for the Second Circuit [struck down](#) a Trump administration rule reducing the penalties automakers pay for violating fuel-economy standards. This decision brings back into effect the National Highway Transportation Safety Administration’s (NHTSA) prior fine of \$14 (per tenth of a mile-per-gallon that an automaker’s average fleet fuel economy falls short of the standard, multiplied by the number of vehicles in the fleet), which the Trump administration had sought to reduce to \$5.50.

As [analysis](#) from the Institute for Policy Integrity at NYU School of Law has shown, the Trump administration’s reduced penalty effectively lowered average passenger car fuel economy by nearly 5 mpg by 2032, saddling consumers with \$120 billion in extra fuel costs during that span and leading to \$25 billion in climate damages.

The Institute for Policy Integrity [submitted an amicus brief in the case](#), and the decision echoed portions of the arguments we made in our brief and earlier public comments.

**Bethany Davis Noll, Litigation Director at the Institute for Policy Integrity, has released the following statement:**

*“This ruling ensures that NHTSA and the automakers it regulates are held accountable for actions that are harmful to the public. Reducing the penalties automakers pay for violating fuel-economy standards dramatically increased emissions and raised fuel costs for Americans. With this decision, NHTSA’s rule joins the ever-growing list of legal losses for the Trump administration.”*

Davis Noll and others are available for interviews on this case and related issues.

In addition to work on the penalties rollback, the Institute for Policy Integrity at NYU School of Law has published and submitted extensive economic and legal analysis of other issues related to vehicle pollution regulations, including:

- [A report](#) on how flawed economic approaches in the rollback of the Clean Car Standards deprives Americans of fuel savings
- [A summary of the key economic errors](#) in the rollback of the Clean Car Standards
- [Public comments](#) and [supplemental comments](#) on flawed legal and economic analysis in the proposed Clean Car Standards rollback

Policy Integrity's resource tracking the outcomes of cases challenging Trump administration agency actions can be found [here](#).

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***[The Institute for Policy Integrity](#)** 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.*