



DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

49 CFR Parts 523, 534, and 535

[Docket No. NHTSA-2026-1948]

Resetting NHTSA's Fuel Economy Program: Commercial Medium- and Heavy-Duty On-Highway Vehicles and Work Trucks

AGENCY: National Highway Traffic Safety Administration (NHTSA), Department of Transportation (DOT).

ACTION: Interpretive rule.

SUMMARY: The National Highway Traffic Safety Administration is issuing this interpretive rule regarding the scope of its authority to set fuel economy standards for commercial medium- and heavy-duty on-highway vehicles and work trucks. This rule describes NHTSA's authority to set vehicle standards, which does not include the authority to set separate standards for engines. NHTSA will review its existing standards applicable to commercial medium- and heavy-duty on-highway vehicles and work trucks for consistency with this interpretation in a separate rulemaking. Pending the rulemaking process, NHTSA will exercise its enforcement authority with regard to affected standards in accordance with the interpretation set forth in this rule.

DATES: This interpretive rule is applicable as of [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Kerry Kolodziej, NHTSA Office of the Chief Counsel, National Highway Traffic Safety Administration, 1200 New Jersey Avenue, S.E., W44-308, Washington, D.C. 20590; email: Kerry.Kolodziej@dot.gov.

SUPPLEMENTARY INFORMATION: The National Highway Traffic Safety Administration (NHTSA) issues this interpretive rule as part of its comprehensive effort to reset its fuel

economy program to comply with the law.¹ NHTSA has reconsidered the scope of its authority to set fuel economy standards for commercial medium- and heavy-duty on-highway vehicles and work trucks. As NHTSA sets forth in this interpretation, the Energy Independence and Security Act of 2007 (EISA) requires NHTSA to set fuel economy standards for medium- and heavy-duty on-highway vehicles and work trucks but did not authorize NHTSA to set standards for engines on a standalone basis. In contrast to the Clean Air Act (CAA), which specifically authorizes EPA to set separate standards for engines, EISA specifically requires NHTSA set standards for vehicles, and authorized separate standards for different classes of vehicles, but did not authorize standalone engine standards. A related decision of the United States Court of Appeals for the District of Columbia Circuit further confirms that NHTSA's authority was limited to setting vehicle standards.²

This interpretation will help ensure the efficient functioning of the market for these commercial vehicles by limiting regulation to its legally authorized scope. This interpretation will also help ensure that manufacturers have flexibility in how best to meet the standards and needs of their sophisticated commercial customers, who make business decisions that account for their own fuel economy needs. NHTSA will review its regulations for consistency with this interpretation in a separate rulemaking.

I. Statutory Background and Regulatory History

EISA established a statutory requirement for the Secretary of Transportation to implement a commercial medium- and heavy-duty on-highway vehicle and work truck fuel efficiency improvement program, commonly known as the MDHD program.³ EISA requires

¹ See, e.g., Interpretive Rule, *Resetting the Corporate Average Fuel Economy Program*, 90 FR 24518 (June 11, 2025).

² This interpretation is not applicable to light-duty vehicles. NHTSA has not established engine standards for light-duty vehicles separate from the CAFE standards, and NHTSA confirms that it does not have statutory authority to do so.

³ The MDHD program encompasses both commercial medium- and heavy-duty on-highway vehicles and work trucks, as defined in EISA. See 49 U.S.C. § 32901(a)(7) and (19).

NHTSA, by delegation from the Secretary of Transportation,⁴ to prescribe “average fuel economy standards for . . . work trucks and commercial medium-duty and heavy-duty on-highway vehicles in accordance with subsection (k).”⁵ Subsection (k) requires NHTSA to establish “a commercial medium- and heavy-duty on-highway vehicle and work truck fuel efficiency improvement program.”⁶ EISA defines “commercial medium- and heavy-duty on-highway vehicle” as “an on-highway vehicle with a gross vehicle weight rating of 10,000 pounds or more,” and “work truck” as “a vehicle that— (A) is rated at between 8,500 and 10,000 pounds gross vehicle weight; and (B) is not a medium-duty passenger vehicle”⁷ Pursuant to these definitions, medium- and heavy-duty on-highway vehicles and work trucks are all “vehicles” with certain specified characteristics.

To inform the fuel efficiency improvement program for these vehicles, EISA instructed the National Academy of Sciences (NAS) to publish a study “evaluating medium-duty and heavy-duty truck fuel economy standards,” including elements such as “an assessment of technologies and costs to evaluate fuel economy for medium-duty and heavy-duty trucks.”⁸ After NAS completed its study, the EISA directed NHTSA to “examine the fuel efficiency of commercial medium- and heavy-duty on-highway vehicles and work trucks.”⁹ Among other things, EISA required NHTSA to determine “the appropriate test procedures and methodologies for measuring the fuel efficiency of such vehicles and work trucks” and “the appropriate metric for measuring and expressing commercial medium- and heavy-duty on-highway vehicle and work truck fuel efficiency performance.”¹⁰

⁴ 49 CFR 1.95(j).

⁵ EISA, Pub. L. No. 110-140 § 102 (2007), 121 Stat. 1492, 1498-99; *see* 49 U.S.C. § 32902(b)(1)(C).

⁶ 49 U.S.C. § 32902(k).

⁷ 49 U.S.C. § 32901(a)(7), (19).

⁸ EISA, Pub. L. No. 110-140 § 108 (2007), 121 Stat. 1492, 1505.

⁹ 49 U.S.C. § 32902(k)(1).

¹⁰ *Id.*

EISA then required NHTSA to “determine in a rulemaking proceeding how to implement a commercial medium- and heavy-duty on-highway vehicle and work truck fuel efficiency improvement program designed to achieve the maximum feasible improvement.”¹¹ As part of that program, NHTSA “shall adopt and implement appropriate test methods, measurement metrics, fuel economy standards, and compliance and enforcement protocols that are appropriate, cost-effective, and technologically feasible for commercial medium- and heavy-duty on-highway vehicles and work trucks.”¹² The statute specifies that NHTSA “may prescribe separate standards for different classes of vehicles under this subsection.”¹³ The statute also requires that “the commercial medium- and heavy-duty on-highway vehicle and work truck fuel economy standard adopted pursuant to this subsection shall provide not less than—(A) 4 full model years of regulatory lead-time; and (B) 3 full model years of regulatory stability.”¹⁴

NHTSA first established the MDHD program through a September 2011 final rule, known as Phase 1, issued jointly with the Environmental Protection Agency (EPA).¹⁵ NHTSA and EPA generally set standards for the same vehicles and engines in the Phase 1 rule.¹⁶ Relying on its EISA authority, NHTSA adopted standards for different classes of commercial medium- and heavy-duty on-highway vehicles and work trucks and separate standards for engines used for certain of those vehicles (combination tractors and vocational vehicles).¹⁷ NHTSA’s standards generally were mandatory for Model Years 2016 and later.¹⁸ EPA also set separate emissions

¹¹ *Id.* § 32902(k)(2).

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.* § 32902(k)(3).

¹⁵ Final Rules, *Greenhouse Gas Emissions Standards and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles*, 76 FR 57106 (Sept. 15, 2011).

¹⁶ EPA set standards for recreational on-highway vehicles in Phase 1, while NHTSA did not. *Id.* at 57134.

¹⁷ *E.g., id.* at 57106.

¹⁸ *See id.*

standards for vehicles and engines. EPA relied on its CAA authority to set air pollutant standards for “any class or classes of new motor vehicles or new motor vehicle engines.”¹⁹

NHTSA offered several explanations for its authority to set engine standards during the Phase 1 rulemaking despite the absence of the word “engine” in NHTSA’s standards-setting authority. In both the proposed and final rules, NHTSA asserted that its express authority to set “separate standards for different classes of vehicles” also allowed it to set standards for engines.²⁰ NHTSA recognized that it was interpreting the statutory language “broadly.”²¹ In a footnote in the proposal, NHTSA also cited the statutory requirement to set maximum feasible standards as a basis for its authority to set engine standards.²² After several industry commenters argued that NHTSA lacked this claimed authority, the agency asserted that the statute “grants NHTSA broad authority to regulate this sector” and “does not . . . preclude[] the regulation of engines, but rather explicitly leaves the regulatory approach to the agency’s expertise and discretion.”²³

¹⁹ See 42 U.S.C. § 7521(a)(1); see Phase 1 Final Rules, 76 FR 57114 (“The Clean Air act, of course, mandates standards for both ‘new motor vehicles’ and ‘new motor vehicle engines’, so there is no issue of authority for separate engine standards under the EPA GHG program.”). EPA has since “rescind[ed] the Administrator’s 2009 findings of contribution and endangerment and repealing all greenhouse gas (GHG) emission standards for light-duty, medium-duty, and heavy-duty vehicles and engines to effectuate the best reading of Clean Air Act (CAA) section 202(a)(1).” Final Rule, *Rescission of the Greenhouse Gas Endangerment Finding and Motor Vehicle Greenhouse Gas Emission Standards Under the Clean Air Act*, 91 FR 7686 (Feb. 18, 2026).

²⁰ Phase 1 Final Rules, 76 FR 57112; Proposed Rules, *Greenhouse Gas Emissions Standards and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles*, 75 FR 74152, 74158 (Nov. 30, 2010).

²¹ Phase 1 Final Rules, 76 FR 57112 (“Congress also stated that NHTSA may set separate standards for different classes of HD vehicles, which the agency interprets broadly to allow regulation of HD engines in addition to HD vehicles”); Phase 1 Proposed Rules, 75 FR 74158 (“Congress also stated that NHTSA may set separate standards for different classes of HD vehicles, which the agency interprets broadly to allow regulation of HD engines in addition to HD vehicles”).

²² Phase 1 Proposed Rules, 75 FR 74173 n.36 (“NHTSA interprets 49 U.S.C. 32902(k)(2) to include a grant of authority to establish engines standards pursuant to the broader statement of authority to establish standards that achieve the maximum feasible improvement in fuel efficiency.”).

²³ Phase 1 Final Rules, 76 FR 57114 (“Volvo and Daimler argued that EISA limited NHTSA’s authority to the regulation of completed vehicles and did not give NHTSA authority to regulate engines. 49 U.S.C. 32902(k)(2) grants NHTSA broad authority to regulate this sector NHTSA does not believe that this language precludes the regulation of engines, but rather explicitly leaves the regulatory approach to the agency’s expertise and discretion. See 75 FR 74173 n. 36 NHTSA continues to believe that the separate regulation of engines and vehicles is [] consistent with the agency’s statutory mandate to determine how to implement a regulatory program designed to achieve the maximum feasible improvement and facilitates coordination with EPA’s efforts to reduce greenhouse gas emissions.”).

NHTSA and EPA issued a second, Phase 2, joint final rule for the MDHD program in October 2016.²⁴ In the Phase 2 rule, both agencies increased the stringency of the standards applicable to the vehicles and engines addressed by the Phase 1 rule and set separate standards for trailers designed to be drawn by a motorized tractor.²⁵ NHTSA’s Phase 2 standards generally applied to Model Years 2021 and later.²⁶ In a legal challenge to the agencies’ trailer standards, the D.C. Circuit ruled the agencies exceeded their authorities under their respective enabling statutes to establish fuel economy or emissions standards for various categories of “vehicles.”²⁷

II. EISA Required NHTSA to Set Vehicle Standards and Did Not Permit Engine Standards

“Start[ing] with the statutory text,”²⁸ NHTSA’s standards-setting authority speaks only of setting fuel economy standards for *vehicles* and not their component parts. As part of NHTSA’s “commercial medium- and heavy-duty on-highway vehicle and work truck fuel efficiency improvement program,” EISA instructs NHTSA to “prescribe separate average fuel economy standards for . . . work trucks and commercial medium-duty or heavy-duty on-highway *vehicles*.”²⁹ A “work truck” is “a *vehicle* that— (A) is rated at between 8,500 and 10,000 pounds gross vehicle weight; and (B) is not a medium-duty passenger vehicle”³⁰ In setting these vehicle standards, NHTSA must evaluate these vehicles as a whole. NHTSA must determine: “the appropriate test procedures and methodologies for measuring the fuel efficiency of such vehicles and work trucks”; “the appropriate metric for measuring and expressing commercial

²⁴ Final Rule, *Greenhouse Gas Emissions and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles— Phase 2*, 81 FR 73478 (Oct. 25, 2016). In the Phase 2 proposed and final rules, NHTSA referred back to the explanation from the Phase 1 final rule for the assertion that EISA “includes authority to establish separate engine standards.” Phase 2 Final Rule, 81 FR 73491 n.51; Proposed Rule, *Greenhouse Gas Emissions and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles—Phase 2*, 80 FR 40138, 40152 n.43 (July 13, 2015).

²⁵ See generally Phase 2 Final Rule, 81 FR 73478. NHTSA also added standards for recreational vehicles in the Phase 2 rule and EPA added standards for gliders. See *id.* at 73521, 73584.

²⁶ See *id.* at 73493, 73504.

²⁷ *Truck Trailer Mfrs. Ass’n, Inc. (“TTMA”) v. Env’tl. Prot. Agency*, 17 F.4th 1198 (D.C. Cir. 2021).

²⁸ *Garland v. Cargill*, 602 U.S. 406, 415 (2024).

²⁹ 49 U.S.C. § 32902(b)(1)(C) (emphasis added).

³⁰ *Id.* § 32901(a)(7), (19) (emphasis added).

medium- and heavy-duty on-highway vehicle and work truck fuel efficiency performance”; and factors and conditions that may affect vehicle and work truck fuel efficiency.³¹ And NHTSA must establish “compliance and enforcement protocols for commercial medium- and heavy-duty on-highway vehicles and work trucks,”³² not for various sub-components of those vehicles.

Indeed, nowhere in NHTSA’s standards-setting authority does Congress instruct NHTSA to set fuel economy standards for component parts. In addition to setting standards for commercial medium- and heavy-duty on-highway vehicles and work trucks, NHTSA is also instructed to prescribe separate average fuel economy standards for “passenger *automobiles*” and “non-passenger *automobiles*,”³³ but not their component parts. And, unlike commercial medium- and heavy-duty on-highway vehicles and work trucks, NHTSA has never asserted authority to set standards for component parts of passenger and non-passenger automobiles when establishing fuel economy standards for those automobiles.

Congress has demonstrated that it understands the difference between vehicles and engines, and that when it wants an agency to have authority to regulate one or both, it says so.³⁴ For example, EISA mentioned engines in several unrelated statutory provisions.³⁵ The absence of any reference to engines in NHTSA’s standards-setting authority confirms that NHTSA’s authority was limited to setting standards for the types of vehicles referenced: work trucks and commercial medium-duty or heavy-duty on-highway vehicles. The Supreme Court has explained that when “Congress includes particular language in one section of a statute but omits it in another section of the same Act, it is generally presumed that Congress acts intentionally and

³¹ *Id.* § 32902(k)(1).

³² *Id.* § 32902(k)(2).

³³ *Id.* § 32902(b)(1)(A)-(B) (emphases added).

³⁴ *See, e.g., Bittner v. United States*, 598 U.S. 85, 94 (2023) (“When Congress includes particular language in one section of a statute but omits it from a neighbor, we normally understand that difference in language to convey a difference in meaning [.]”).

³⁵ *See, e.g., EISA*, Pub. L. No. 110-140 § 209 (requiring study of whether changes in vehicle and engine emissions of air pollutants adversely impact air quality); *id.* § 226 (“Study of Engine Durability and Performance Associated with the Use of Biodiesel”); *id.* § 251 (providing for waiver related to vehicle or engine emission standards).

purposely in the disparate inclusion or exclusion.”³⁶ NHTSA must give meaning to the fact that Congress did not mention engines in its standard-setting authority at the same time it enacted other engine-related provisions.

NHTSA must also give weight to the fact that Congress expressly granted authority to set engine standards to another Federal agency: the EPA. In the CAA, Congress expressly authorized EPA to set air pollutant standards for “any class or classes of new motor vehicles *or new motor vehicle engines*.”³⁷ The differences in authority granted to the two agencies are not arbitrary. The CAA was designed to provide EPA with broad authority to address harmful air pollutants, which originate from vehicle engines as well as tailpipes. The EISA provisions described above were designed to provide the Department of Transportation, through NHTSA, with different tools to achieve feasible petroleum conservation from motor vehicles, which is a function of a vehicle’s entire design and construction. The CAA was not designed to require energy conservation, and EISA was not designed to mandate environmental improvements.³⁸ EPA is not a fuel economy regulator, and NHTSA is not an environmental regulator. The CAA and EISA granted EPA and NHTSA specific statutory authority appropriate to accomplish their respective goals. A desire by the agencies to achieve regulatory harmonization does not empower NHTSA to expand its statutory authority.

In *Loper Bright Enterprises v. Raimondo*,³⁹ the United States Supreme Court explained that “statutes . . . do—in fact, must—have a single, best meaning.”⁴⁰ Interpreting a statute

³⁶ *Nken v. Holder*, 556 U.S. 418, 430 (2009) (quoting *INS v. Cardoza-Fonseca*, 480 U.S. 421, 432 (1987)).

³⁷ 42 U.S.C. § 7521 (emphasis added). EPA has since rescinded its standards not because it found it lacked authority to regulate engines, but because it rescinded the endangerment finding for greenhouse gas emissions. *See* Final Rule, *Rescission of the Greenhouse Gas Endangerment Finding and Motor Vehicle Greenhouse Gas Emission Standards Under the Clean Air Act*, 91 FR 7686 (Feb. 18, 2026).

³⁸ *See* 42 U.S.C. § 7521(a)(1); 49 U.S.C. § 32902(f).

³⁹ 603 U.S. 369 (2024).

⁴⁰ *Id.* at 400.

requires “determin[ing] the best reading of the statute,” and not a so-called “permissible” interpretation.⁴¹

Consistent with *Loper Bright*, NHTSA asserts the best reading of the statute is that it lacks the authority to set fuel economy standards for engines of work trucks and commercial medium-duty or heavy-duty on-highway vehicles on a standalone basis. EISA commands NHTSA to set fuel economy standards for commercial medium- and heavy-duty on-highway vehicles and work trucks (which are defined as “vehicles”⁴²). The statute permits “separate standards for different classes of vehicles.”⁴³ The statute did not, however, authorize separate standards for components of a vehicle, including a vehicle’s engine. In contrast, Congress expressly granted authority to set engine standards to EPA.

NHTSA’s interpretation is also supported by recent case law. As noted above, the D.C. Circuit found NHTSA’s attempt to set fuel economy standards for trailers as a type of vehicle unlawful.⁴⁴ The court found that trailers are not vehicles “when that term is used in the context of a vehicles’ fuel economy”; trailers “have no motor,” and “motorless vehicles use no fuel.”⁴⁵ Therefore, NHTSA’s delegation of authority to set fuel economy standards for vehicles did not include trailers.

Nor does it include engines. An engine is not a vehicle. To be sure, a vehicle’s engine necessarily impacts its fuel economy. So do tires, transmissions, and tailpipes. However, that does not grant NHTSA authority to set fuel economy standards for those components individually or separately from the entirety of a vehicle of which they comprise a part.⁴⁶ If that

⁴¹ *Id.* (“In the business of statutory interpretation, if it is not the best, it is not permissible.”).

⁴² 49 U.S.C. § 32901(a)(7), (19)

⁴³ *Id.* § 32902(b)(1), (k)(2).

⁴⁴ *TTMA*, 17 F.4th at 1208.

⁴⁵ *See e.g., id.* at 1200.

⁴⁶ While one reason the D.C. Circuit rejected the argument that trailers are “vehicles” was because “Congress put the term ‘vehicle’ in a context limited to machines that *use* fuel,” *see TTMA*, 17 F.4th at 1205, engines are plainly not vehicles despite their use of fuel.

were the case, like NHTSA's theory in *TTMA* that was rejected, "there is no principled limit to NHTSA's theory."⁴⁷ If NHTSA could set fuel economy standards for engines, NHTSA could also set standards for any component of a vehicle that impacts fuel economy, including tires, transmissions, and tailpipes.⁴⁸

The D.C. Circuit similarly rejected EPA's argument that it could regulate significant components of a vehicle: "Perhaps sensing that it needs to offer a limiting principle, the EPA claims that it can regulate only 'significant' vehicle components. But that limit is atextual [W]e cannot endorse a hazy line mentioned nowhere in a statutory provision that allows the EPA to regulate 'motor vehicles,' not motor-vehicle components."⁴⁹ The same argument applies to NHTSA's claim of authority to set separate engine standards.

The D.C. Circuit set forth several other reasons why NHTSA could not set fuel economy standards for trailers as vehicles that inform NHTSA's interpretation here. For example, the court stated that because the term "vehicles" in NHTSA's standard setting authority is preceded by three other types of vehicles, all of which have engines and burn fuel—"passenger automobiles, non-passenger automobiles," and "work trucks"—the term "vehicles" should be given a meaning similar to those other words with which it is associated. A vehicle trailer, the court explained, did not have any meaningful similarity to passenger and non-passenger automobiles because trailers are not propelled by fuel, and trailers are not like work trucks that both "have an engine and burn fuel."⁵⁰ Here, engines have no meaningful similarity to vehicles or passenger and non-passenger automobiles. They are not a type of vehicle or automobile.⁵¹

⁴⁷ *Id.* at 1207-08 (finding that if a trailer is a vehicle there would be no principled limit; NHTSA could regulate bike racks, rooftop cargo carriers, or anything similar that would impact the fuel efficiency of a vehicle).

⁴⁸ *Id.*

⁴⁹ *Id.* at 1202.

⁵⁰ *Id.* at 1205-06.

⁵¹ The court also reasoned in a footnote that while a trailer affects fuel economy, so do other "attachments" to vehicles like bike racks that do not have a gross vehicle weight rating (GVWR) of 10,000 pounds or more as required by the statutory definition of "commercial medium- and heavy-duty on highway vehicle" at 49 U.S.C. § 32901(a)(7). *Id.* at n.10. The same is true of the engine (which also does not have a GVWR of between 8,500 and

Because engines are not vehicles, NHTSA’s justification for regulating them separately has relied on the assertion that the agency is vested with broad discretion by EISA. NHTSA’s argument during its Phase 1 rulemaking—that its mandate to “set separate standards for different classes of HD vehicles” should be “interpret[ed] broadly to allow regulation of HD engines in addition to HD vehicles”—pushes the text beyond its natural reading.⁵² The ability to set standards for a vehicle does not logically include the authority to set standards for parts of a vehicle.⁵³

In the Phase 1 and Phase 2 rulemakings, NHTSA also identified other aspects of its standard setting authority, including the requirement to set maximum feasible standards and parts of the rulemaking mandate, to argue that the statute conferred broad discretion on the agency.⁵⁴ While NHTSA has the ability to exercise discretion in setting standards and other aspects of the MDHD program, NHTSA did not explain how standalone engine standards were consistent with its mandate to “prescribe separate fuel economy standards for . . . work trucks and commercial medium-duty or heavy-duty on-highway vehicles.”⁵⁵ The general authority to establish various aspects of “a commercial medium- and heavy-duty on-highway vehicle and work truck fuel efficiency program” is insufficient to confer standard-setting authority on NHTSA beyond the

10,000 pounds as required by the statutory definition of “work truck” at 49 U.S.C. § 32901(a)(19)). The court also noted that NHTSA regulations separately refer to the gross *combined* weight rating, defined as the “maximum load that the vehicle can haul, including the weight of a loaded trailer and the vehicle itself.” *Id.* at n.15.

⁵² See Phase 1 Final Rules, 76 FR 57112 (“Congress also stated that NHTSA may set separate standards for different classes of HD vehicles, which the agency interprets broadly to allow regulation of HD engines in addition to HD vehicles”); Phase 1 Proposed Rules, 75 FR 74158 (“Congress also stated that NHTSA may set separate standards for different classes of HD vehicles, which the agency interprets broadly to allow regulation of HD engines in addition to HD vehicles”).

⁵³ See, e.g., *TTMA*, 17 F.4th at 1207-08 (“[T]here is no principled limit to NHTSA’s theory.”).

⁵⁴ See Phase 1 Final Rules, 76 FR 57114; Phase 1 Proposed Rules, 75 FR 74173 n.36; see also Phase 2 Final Rule, 81 FR 73491 n.51 (citing to explanation of authority in Phase 1 final rule); Phase 2 Proposed Rule, 80 FR 40138, 40152 n.43 (same).

⁵⁵ See 49 U.S.C. § 32902(b)(1)(C); see also Phase 2 Final Rule, 81 FR 73491 n.51; Phase 2 Proposed Rule, 80 FR 40138, 40152 n.43 (same); Phase 1 Final Rules, 76 FR 57114; Phase 1 Proposed Rules, 75 FR 74173 n.36.

plain text of the statute. EISA did not direct NHTSA to establish a MDHD vehicle *and* engines fuel efficiency program, and NHTSA cannot simply assume that authority through regulation.⁵⁶

Upon further consideration, NHTSA has determined that the statute did not authorize it to set separate standards for engines. Unlike EPA, NHTSA lacked express authority to set engine standards. The desire to have harmonized requirements is insufficient for NHTSA to exercise regulatory authority not given by statute.⁵⁷ It is insufficient to assert, as NHTSA has, that EISA did not “preclude[] the regulation of engines,” given that the statute refers expressly and repeatedly to NHTSA’s authority to establish fuel economy standards for specific categories of “vehicles.”

EISA requires NHTSA to set standards for vehicles, authorized separate standards for different classes of vehicles, set lead time and regulatory stability limits for those vehicle standards, and otherwise addressed the parameters of a regulatory program for improving the fuel efficiency of vehicles. For the reasons stated above, NHTSA does not have authority to set fuel efficiency standards for engines separately from vehicles.

III. Next Steps for MDHD Program Reset and Enforcement Considerations

As NHTSA explained in its June 2025 interpretive rule, *Resetting the Corporate Average Fuel Economy Program*, a reset of the MDHD program is necessary to ensure the regulations are consistent with law. NHTSA will reconsider the engine standards consistent with this interpretive rule as part of its reset of that program and ensure that vehicle manufacturers have practicable means to comply in the absence of separate engine standards.⁵⁸

⁵⁶ Cf. *Nat’l Fed’n of Indep. Bus. v. Dep’t of Labor*, 595 U.S. 109, 117 (2022) (“Administrative agencies are creatures of statute. They accordingly possess only the authority that Congress has provided.”); *Louisiana Pub. Serv. Comm’n v. F.C.C.*, 476 U.S. 355 (1986) (“[A]n agency literally has no power to act . . . unless and until Congress confers power upon it.”).

⁵⁷ See, e.g., Phase 1 Proposed Rules, 75 FR 74157 (“EPA’s and NHTSA’s proposed standards for the heavy-duty sector are largely harmonized with one another due to the close and direct relationship between improving the fuel efficiency of these vehicles and reducing their CO₂ tailpipe emissions.”); *id.* at 74177 (“NHTSA’s fuel consumption standards . . . [include] mandatory engine standards starting in 2017 model year, harmonized with EPA’s 2017 model year standards.”).

⁵⁸ See 90 FR 24518 (June 11, 2025). NHTSA addressed other aspects of its MDHD program in this interpretive rule. Specifically, NHTSA stated that: 1) EISA requires NHTSA to consider the factors in 49 U.S.C. § 32902(f) in

Resetting the MDHD program in compliance with law will help prevent market distortions. Commercial vehicle purchasers make business decisions that account for their own fuel economy needs. Focusing the MDHD program on vehicle standards, as the law requires, will help ensure that manufacturers have flexibility in how best to meet the standards and the needs of their customers.

The interpretation set forth in this rule clarifies the appropriate scope of NHTSA's authority to set fuel economy standards for the MDHD program. This interpretation does not change existing standards or any rights or obligations under the MDHD program. Instead, this interpretation lays the groundwork for notice-and-comment rulemaking to reset the agency's regulatory program as determined necessary to bring it into compliance with applicable substantive statutory requirements as codified in Chapter 329 of title 49 of the United States Code and Administration policy. NHTSA will also consider other issues as appropriate in resetting the MDHD program, including whether any adjustments to the vehicle standards are warranted. Among the matters under review is the relationship between potential NO_x emission reductions arising from EPA's 2023 NO_x emission standards (taking effect in model year 2027)⁵⁹ and fuel consumption.⁶⁰

In light of the legal interpretation set forth in this interpretive rule, NHTSA will reset the MDHD program consistent with the law. Pending the rulemaking process, NHTSA will exercise its enforcement authority with regard to affected standards in accordance with the interpretation set forth in this rule.

Regulatory Analyses

determining the maximum feasible standards; 2) NHTSA lacked authority to assess civil penalties for violations of MDHD standards; 3) NHTSA improperly established a credit trading program for MDHD vehicles, and 4) NHTSA considered credits and electric vehicles in setting the MDHD standards without express authority to do so.

⁵⁹ Environmental Protection Agency, Final rule, *Control of Air Pollution from New Motor Vehicles: Heavy-Duty Engine and Vehicle Standards*, 88 FR 4296 (Jan. 24, 2023).

⁶⁰ EPA has proposed to amend the 2023 rule. Environmental Protection Agency, Proposed rule, *Amendments and Nonconformance Penalties for Model Year 2027 and Later Heavy-Duty Highway Engines and Amendments to Inducement Provisions for SCR-Equipped Diesel Engines*, 91 FR 43154 (July 14, 2026).

A. Administrative Procedure Act

NHTSA issues this interpretive rule to explain the statute the agency administers and how the agency will apply its interpretation to subsequent substantive rules. This interpretive rule does not amend or alter the meaning of any regulations, and any costs and benefits of any subsequent proposed changes to regulations will be analyzed in a future rulemaking. As such, notice and comment under the Administrative Procedure Act is not required for this interpretive rule,⁶¹ and the rule similarly is not subject to a 30-day delay in effective date.⁶²

B. Executive Order 12866, Regulatory Planning and Review; Executive Order 14192, Unleashing Prosperity Through Deregulation; and Executive Order 14219, Ensuring Lawful Governance and Implementing the President’s “Department of Government Efficiency” Deregulatory Initiative

Executive Order (E.O.) 12866, “Regulatory Planning and Review” (58 FR 51735, Oct. 4, 1993), provides for determining whether a regulatory action is “significant” and therefore subject to the Office of Management and Budget (OMB) review process and to the requirements of the E.O. This is a “significant regulatory action” under E.O. 12866. Accordingly, NHTSA submitted this action to OMB for review. However, there are no costs or benefits associated with this interpretive rule. Any costs and benefits of rules implementing the interpretation will be analyzed in those subsequent rulemakings.

E.O. 14192, “Unleashing Prosperity Through Deregulation” (90 FR 9065, Feb. 6, 2025), requires an agency, unless prohibited by law, to identify at least ten existing regulations to be repealed when the agency publicly proposes for notice and comment or otherwise promulgates a new regulation. In furtherance of this requirement, section 3(c) of Executive Order 14192 requires that the new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least ten prior

⁶¹ See 5 U.S.C. § 553(b)(A).

⁶² See 5 U.S.C. § 553(d)(2).

regulations. As discussed above, there are no costs or benefits associated with this interpretive rule. However, this interpretive rule, which sets forth NHTSA's interpretation of its statutory authority for the MDHD program ensures that, going forward, NHTSA will not regulate beyond its statutory authority. The costs and benefits of future MDHD rules will be analyzed in those rulemakings.

E.O. 14219, "Ensuring Lawful Governance and Implementing the President's 'Department of Government Efficiency' Deregulatory Initiative," requires agency heads to review their regulations and identify regulations that, among other things, are based on anything other than the best reading of the underlying statutory authority or prohibition, or that implicate matters of social, political, or economic significance that are not authorized by clear statutory authority. NHTSA has identified its MDHD engine standards as falling within an enumerated category or categories of E.O. 14219. NHTSA is issuing this interpretive rule to set forth the agency's interpretation that it lacks the authority to regulate engines. This rule describes NHTSA's interpretation of its authority to establish the necessary legal foundation for bringing the MDHD program into compliance with relevant statutory requirements.

C. Executive Order 13132, Federalism

A rule has implications for federalism under section 1(a) of E.O. 13132 if it has "substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government." NHTSA has determined that this interpretive rule will not have substantial direct costs on or for States, nor would it limit the policymaking discretion of States. Nothing in this document preempts any State law or regulation. Therefore, this interpretive rule does not have sufficient federalism implications to warrant the preparation of a Federalism Impact Statement.

D. Executive Order 12988, Civil Justice Reform

E.O. 12988, "Civil Justice Reform" (61 FR 4729, Feb. 7, 1996), requires that agencies promulgating new regulations or reviewing existing regulations take steps to minimize litigation,

eliminate ambiguity, and to reduce burdens on the regulated public. NHTSA has reviewed this interpretive rule and determined that this action conforms to the applicable standards in sections 3(a) and 3(b)(2) of E.O. 12988, Civil Justice Reform.

E. Executive Order 13175, Consultation and Coordination with Indian Tribal Governments

This interpretive rule does not have Tribal implications under E.O. 13175, Consultation and Coordination with Indian Tribal Governments, because it does not have a substantial direct effect on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

F. Unfunded Mandates Reform Act of 1995

The Unfunded Mandates Reform Act of 1995 (2 U.S.C. §§ 1531-1538) (UMRA) requires Federal agencies to assess the effects of their discretionary regulatory actions. UMRA addresses actions that may result in the expenditure by a State, local, or Tribal government, in the aggregate, or by the private sector of \$206 million (which is the value equivalent of \$100 million in 1995, adjusted for inflation to 2025) or more in any 1 year. As discussed above, this interpretive rule by itself results in no expenditures and therefore the analytical requirements of UMRA do not apply. Any costs and benefits will be analyzed in future rules subject to the principles laid out in this notice.

G. Regulatory Flexibility Act of 1980

The Regulatory Flexibility Act, 5 U.S.C. § 601 *et seq.*, requires agencies to prepare a regulatory flexibility analysis for any rule where the agency is required by law to publish a general notice of proposed rulemaking.⁶³ NHTSA is not required to complete a regulatory flexibility analysis because, as discussed previously, this action is not subject to notice and public comment under the Administrative Procedure Act (APA)⁶⁴ or any other law.

⁶³ See 5 U.S.C. § 603.

⁶⁴ See 5 U.S.C. § 553(b)(A).

H. Paperwork Reduction Act

This interpretive rule contains no new information collection requirements under the Paperwork Reduction Act of 1995 (44 U.S.C. §§ 3501-3520).

I. National Environmental Policy Act of 1969

In accordance with 42 U.S.C. § 4336, “[a]n agency is not required to prepare an environmental document with respect to a proposed agency action if the proposed agency action is not a final agency action within the meaning of such term in chapter 5 of title 5 [of the United States Code].” As discussed above, this action is not a final agency action within the meaning of 5 U.S.C. Chapter 5. Any environmental effects will be analyzed in a future rulemaking resetting the MDHD program subject to the principles laid out in this notice.

J. Privacy

The Consolidated Appropriations Act, 2005 (Pub. L. No. 108-447, 118 Stat. 2809, 3268, Dec. 8, 2004 (5 U.S.C. § 552a note)), requires certain parties (Federal agencies and any non-Federal entity that receives records contained in a system of records from a Federal agency for use in a matching program) to conduct a privacy impact assessment of a regulation that will affect the privacy of individuals. Because this interpretive rule does not require the collection of personally identifiable information, NHTSA is not required to conduct a privacy impact assessment.

The E-Government Act of 2002 (Pub. L. No. 107-347, sec. 208, 116 Stat. 2899, 2921, Dec. 17, 2002), requires Federal agencies to conduct a privacy impact assessment for new or substantially changed technology that collects, maintains, or disseminates information in an identifiable form. No new or substantially changed technology will collect, maintain, or disseminate information as a result of this interpretive rule. Accordingly, NHTSA has not conducted a privacy impact assessment.

K. Congressional Review Act

Pursuant to the Congressional Review Act (CRA) (5 U.S.C. § 801 *et seq.*), the Office of Information and Regulatory Affairs designated this rule as not a “major rule,” as defined by 5 U.S.C. § 804(2). NHTSA will submit this rule to Congress and the Government Accountability Office as required by the CRA.

Issued on August 27, 2026 in Washington, D.C., under authority delegated in 49 CFR 1.95.

Jonathan Morrison,
Administrator

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