

requirements, Security measures, Waterways.

For the reasons discussed in the preamble, the Coast Guard amends 33 CFR part 165 as follows:

## PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

■ 1. The authority citation for part 165 continues to read as follows:

**Authority:** 46 U.S.C. 70034, 70051, 70124; 33 CFR 1.05–1, 6.04–1, 6.04–6, and 160.5; Department of Homeland Security Delegation No. 00170.1, Revision No. 01.3.

■ 2. Add § 165.T08–0145 to read as follows:

### § 165.T08–0145 Safety Zone; Laguna Madre, South Padre Island, TX.

(a) *Location.* The following area is a safety zone: all navigable waters of the Laguna Madre encompassed by a 700-yard radius from the following point; 26°6′5.05″ N, 97°10′12.46″ W.

(b) *Enforcement period.* This section is in effect, and subject to enforcement, from 6 p.m. on February 14, 2024 through 1 a.m. on February 15, 2024.

(c) *Regulations.* (1) According to the general regulations in § 165.23 of this part, remaining in, or entry into this temporary safety zone are prohibited unless authorized by the Captain of the Port, Sector Corpus Christi (COTP) or a designated representative. They may be contacted on Channel 16 VHF–FM (156.8 MHz) or by telephone at 361–939–0450.

(2) If permission is granted, all persons and vessels shall comply with the instructions of the COTP or designated representative.

(d) *Information broadcasts.* The COTP or a designated representative will inform the public of the enforcement times and date for this safety zone through Broadcast Notices to Mariners, Local Notices to Mariners, and/or Safety Marine Information Broadcasts as appropriate.

Dated: February 12, 2024.

#### Jason Gunning,

*Captain, U.S. Coast Guard, Captain of the Port, Sector Corpus Christi.*

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## DEPARTMENT OF TRANSPORTATION

### National Highway Traffic Safety Administration

#### 49 CFR Part 531

[NHTSA–2022–0048]

RIN 2127–AM29

### Exemptions From Average Fuel Economy Standards; Passenger Automobile Average Fuel Economy Standards

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

**ACTION:** Final rule; final decision to grant exemption.

**SUMMARY:** This final decision responds to petitions filed by several low volume manufacturers requesting exemption from the generally applicable corporate average fuel economy (CAFE) standards for several model years (MYs). The low volume manufacturers and MYs are as follows: Aston Martin Lagonda Limited for MYs 2008–2023, Ferrari N.V. for MYs 2016–2018 and 2020, Koenigsegg Automotive AB for MYs 2015 and 2018–2023, McLaren Automotive for MYs 2012–2023, Mobility Ventures LLC for MYs 2014–2016, Pagani Automobili S.p.A for MYs 2014 and 2016–2023, and Spyker Automobielen B.V. for MYs 2008–2010. NHTSA is exempting these manufacturers from the generally applicable CAFE standards for the model years listed and establishing alternative standards for each manufacturer at the levels stated below, which the agency has determined to be maximum feasible for each of those manufacturers for the model years in question.

**DATES:** This rule is effective March 21, 2024.

**ADDRESSES:** For access to the dockets to read background documents or comments received, go to <https://www.regulations.gov>, and/or: Docket Management Facility, M–30, U.S. Department of Transportation, West Building, Ground Floor, Rm. W12–140, 1200 New Jersey Avenue SE, Washington, DC 20590. The Docket Management Facility is open between 9 a.m. and 4 p.m. Eastern Time, Monday through Friday, except on Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** Joseph Bayer, Chief of Fuel Economy Division, Office of Rulemaking, by phone at (202) 366–9540 or by fax at (202) 493–2290 or Hannah Fish, Attorney Advisor, Vehicle Standards

and Harmonization, Office of the Chief Counsel, by phone at (202) 366–2992 or by fax at (202) 366–3820.

#### SUPPLEMENTARY INFORMATION:

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##### 1. Introduction

The Energy Policy and Conservation Act (EPCA) of 1975, as amended by the Energy Independence and Security Act (EISA) of 2007,<sup>1</sup> directs the Secretary of Transportation, and the National Highway Traffic Safety Administration (NHTSA) by delegation,<sup>2</sup> to prescribe corporate average fuel economy (CAFE) standards for automobiles manufactured in each model year (MY). EPCA/EISA requires NHTSA to establish CAFE standards for passenger cars and light trucks at the “maximum feasible average fuel economy level” that it decides manufacturers can achieve in a MY,<sup>3</sup> based on the agency’s consideration of four factors: technological feasibility, economic practicability, the effect of other standards of the Government on fuel economy, and the need of the United States to conserve energy.<sup>4</sup>

Congress provided in EPCA/EISA statutory authority for NHTSA to exempt a low volume manufacturer of passenger automobiles from the industry-wide passenger car standard if NHTSA concludes that the industry-wide passenger car standard is more stringent than the maximum feasible average fuel economy level that the manufacturer can achieve, and NHTSA establishes an alternative standard for that manufacturer’s fleet of passenger cars at the maximum feasible average fuel economy level that the manufacturer can achieve.<sup>5</sup> Under EPCA/EISA, a low volume manufacturer is one that manufactured (whether in the United States or not) fewer than 10,000 passenger automobiles in the MY two years before the MY for which the exemption is sought, and that will manufacture fewer than 10,000

<sup>1</sup> 49 U.S.C. 32901 *et seq.*

<sup>2</sup> 49 CFR 1.95.

<sup>3</sup> 49 U.S.C. 32902(a).

<sup>4</sup> 49 U.S.C. 32902(f).

<sup>5</sup> 49 U.S.C. 32902(d). NHTSA notes that there is no statutory provision allowing exemptions from the light truck standards established in 49 CFR part 533.

passenger automobiles in the affected MY. NHTSA may set alternative fuel economy standards in three ways: (1) a separate standard for each exempted manufacturer; (2) a separate standard applicable to each class of exempted automobiles (classes based on design, size, price, or other factors); or (3) a single standard for all exempted manufacturers.<sup>6</sup> NHTSA has historically set individual standards for each exempted manufacturer.

49 CFR part 525 contains NHTSA's regulations implementing the requirements in 49 U.S.C. 32902. This part provides content and format requirements for low volume manufacturer petitions for exemption and specifies that those petitions must be submitted to NHTSA not later than 24 months before the beginning of the affected model year unless good cause for later submission is shown.<sup>7</sup> As discussed further below, manufacturers must include several data elements in their petitions, including among other things projected vehicle production mix, vehicle features for each vehicle configuration, projected average fuel economy figures for each production mix, and technological means for improving the fuel economy of the manufacturer's vehicles.<sup>8</sup> Part 525 also outlines the NHTSA process for publishing proposed and final decisions on petitions in the **Federal Register** and for accepting public input on proposed decisions.<sup>9</sup> A manufacturer's final alternative standard is codified at 49 CFR part 531.

This final decision responds to petitions filed by Aston Martin Lagonda Limited (AML) for MYs 2008–2023, Ferrari N.V. (Ferrari) for MYs 2016–2018 and 2020, Koenigsegg Automotive AB (Koenigsegg) for MYs 2015 and 2018–2023, McLaren Automotive (McLaren) for MYs 2012–2023, Mobility

Ventures LLC (Mobility Ventures) for MYs 2014–2016, Pagani Automobili S.p.A (Pagani) for MYs 2014 and 2016–2023,<sup>10</sup> and Spyker Automobielen B.V. (Spyker) for MYs 2008–2010. NHTSA concludes that all seven manufacturers were, and are, eligible for an alternative standard for the listed model years and that the industry-wide passenger car CAFE standard for those model years is more stringent than the maximum feasible average fuel economy level that those manufacturers could, and can, achieve. Alternative standards for each manufacturer will be set at the levels discussed below.

## 2. Summary of the Proposed Decision

NHTSA published a proposed decision on July 1, 2022 (87 FR 39439) that proposed to exempt several low volume manufacturers from the generally applicable CAFE standards for several model years. Some of these model years had already passed, meaning that any NHTSA action prescribing alternative standards for past model years would be retroactive. NHTSA recognized that an agency's ability to prescribe retroactive rules is very limited; however, NHTSA concluded that based on a history of previously granting low volume exemption petitions when the agency did not publish proposed and final determinations on those exemption petitions before the beginning of a model year,<sup>11</sup> and the limited circumstances in this case, retroactively publishing alternative low volume CAFE standards was appropriate.

NHTSA also detailed the agency's approach to evaluating exemption petitions for model years that had already passed. NHTSA concluded that in addition to evaluating the manufacturer's exemption petitions for past model years, it was appropriate to evaluate the manufacturer's actual CAFE values if NHTSA had those values (either from EPA-verified data or from preliminary data submitted by the manufacturer). For imminently future model years, NHTSA evaluated whether the alternative standard for which the manufacturer petitioned was maximum feasible, and if not, what, if any, technologically feasible and economically practicable changes the manufacturer could make in the time frame before model year production

would need to commence. NHTSA looked to the regulations implementing EPCA's low volume manufacturer exemption provisions, which required low volume manufacturers to submit petitions for exemption "not later than 24 months before the beginning of the affected model year," as a guidepost for determining whether a low volume manufacturer could potentially make any additional changes to its vehicles.

All low volume manufacturers considered in the proposed decision met the threshold statutory requirements for eligibility; that is, all manufacturers manufactured or will manufacture fewer than 10,000 vehicles in the applicable model years. Some petitions for some model years were submitted late, although the late filings were accompanied by good cause claims, per 49 CFR part 525.<sup>12</sup> Regardless of the sufficiency of those good cause claims, NHTSA stated that due to the significant lateness of the agency's response to these specific exemption requests, it would be inequitable at this point to deny the late petitions on grounds of untimeliness. Moving forward, NHTSA expects manufacturers to remain cognizant of the requirement that each submission must be submitted not later than 24 months before the beginning of the affected model year unless good cause for later submission is shown.

When proposing maximum feasible average fuel economy levels, NHTSA must consider four factors: technological feasibility, economic practicability, the effect of other motor vehicle standards of the Government on fuel economy, and the need of the United States to conserve energy. NHTSA detailed in the proposed rule how the agency's consideration of these factors with low volume manufacturers differs from consideration of these factors for full-line manufacturers, and also how consideration of these factors as applied to past model years differs from consideration for future model years.

Per NHTSA's regulations at 49 CFR 525.7, NHTSA evaluated several pieces of information in each manufacturer's petition to assist the agency in assessing technologically feasible and economically practicable improvements for the manufacturer's fleet. This information included a description of the technological means selected by the manufacturer for improving the average fuel economy of its automobiles to be

<sup>6</sup> 49 U.S.C. 32902(d)(2).

<sup>7</sup> 49 CFR 525.6(b). See also 54 FR 40689 (Oct. 3, 1989). NHTSA has identified two broad categories of situations that would establish good cause for failure to submit a timely petition: situations in which necessary supporting data for the petition were unavailable until after the due date had passed (for example, a recently incorporated manufacturer might not have adequate time to file an exemption petition 24 months prior to the model year), and second, situations in which a legitimately unexpected noncompliance occurs (for example, if a company providing a low volume manufacturer with its engines goes out of business, and the manufacturer is forced to make an unanticipated engine switch, resulting in lower than expected fuel economy). That said, each determination that good cause was or was not shown for the late filing is made on an individual basis. Manufacturers should reach out to NHTSA as expeditiously as possible if they expect they cannot submit a petition in a timely manner.

<sup>8</sup> 49 CFR 525.7.

<sup>9</sup> 49 CFR 525.8.

<sup>10</sup> Pagani petitioned for alternative standards for MYs 2012–2021 but did not produce any vehicles for sale in the U.S. market in MYs 2012, 2013, and 2015.

<sup>11</sup> See, e.g., 43 FR 33268 (July 31, 1978); 49 FR 11548 (March 1, 1979); 46 FR 29944 (June 4, 1981); 54 FR 40689 (October 3, 1989); 55 FR 12485 (April 4, 1990).

<sup>12</sup> 49 CFR 525.6 ("Each petition filed under this part must . . . be submitted not later than 24 months before the beginning of the affected model year, unless good cause for later submission is shown.").

manufactured in a model year, a chronological description of the manufacturer's past and planned efforts to implement the fuel-economy-improving technology in its fleet, a discussion of the alternative and additional means considered but not selected by the manufacturer that would have enabled its passenger automobiles to achieve a higher average fuel economy than is achievable with the means it described, and in the case of a manufacturer that planned to increase the average fuel economy of its passenger automobiles to be manufactured in either of the two model years immediately following the first affected model year, an explanation of the reasons for not making those increases in the affected model year.

To evaluate the potential effect of alternative CAFE standards on the need of the United States to conserve energy, NHTSA described two historical approaches. For several years, the agency categorically concluded that if it had already determined that it would not be technologically feasible or economically practicable for the low volume manufacturer to achieve a higher fuel economy standard than requested, denying the exemption or setting a higher alternative standard would not have had any effect on the need of the United States to conserve energy.<sup>13</sup> In later years the agency attempted to quantify that *de minimis* impact for illustrative purposes, by estimating the amount of additional fuel consumed by the exempted fleet over its operating lifetime.<sup>14</sup> The July 2022 proposed decision quantified the estimated additional fuel consumed by the exempted fleet in accordance with the second approach, using a combination of estimated and achieved fleet fuel economy values, and an updated data-based estimate of yearly low volume vehicle miles travelled (VMT) for some categories of low volume vehicles.<sup>15</sup> NHTSA sought

comment on that approach and requested any other data or information on the driving patterns and mileage schedules of another category of low volume vehicles—vehicles used to transport wheelchair-bound or otherwise mobility-impaired individuals. NHTSA estimated that the additional fuel consumed by the entire low volume fleet considered in the proposed decision at the proposed alternative standards level equaled 39,769,449 additional gallons of gasoline or 0.001877% of total U.S. motor vehicle fuel consumption over the vehicles' lifetimes.

To evaluate the effect of "other motor vehicle standards of the Government" on fuel economy, NHTSA examined the agency's safety standards as well as EPA's emissions standards, which include criteria pollutant and greenhouse gas (GHG, which include CO<sub>2</sub>, N<sub>2</sub>O, CH<sub>4</sub>, and hydrofluorocarbons) emissions standards.

NHTSA recognized that three manufacturers considered in the July 2022 proposal (Aston Martin, Ferrari, and McLaren) had received an alternative low volume GHG standard under the EPA small volume program for vehicles manufactured in MYs 2017–2021.<sup>16</sup> NHTSA explained that the agencies' (NHTSA's and EPA's) respective statutory authorities and regulations required a slightly different approach to examining these manufacturers' petitions for alternative standards and provided a comparison of differences between EPA's final small volume standards and NHTSA's proposed alternative standards. NHTSA sought comment on any new information the agency should consider on the impact of EPA's GHG standards on a manufacturer's ability to meet an alternative fuel economy standard.

Several manufacturers cited various Federal Motor Vehicle Safety Standards (FMVSS) that could impact their CAFE values, including FMVSS No. 214, Side Impact Protection, FMVSS No. 216, Roof Crush Resistance, FMVSS No. 226, Occupant Ejection Mitigation, FMVSS No. 301, Fuel System Integrity, FMVSS No. 111, Rear Visibility (concerning rearview mirrors), and the Pedestrian Protection requirements as proposed in the UN ECE Global Technical Regulation (GTR) No. 9. Broadly, manufacturers stated that these safety standards could have potentially adverse impacts on vehicles' achieved fuel economy levels because of additional vehicle weight required, and

because they reduce potential aerodynamic improvements. Manufacturers also cited EPA and California non-GHG emissions standards as requirements that would demand additional balancing of priorities.

Using an analysis of estimates from prior CAFE standards rules,<sup>17</sup> NHTSA concluded that the small increase in weight from the FMVSSs (approximately 32 pounds, which was likely already incorporated in the vehicle) would have negligible effects on any vehicle considered in the proposed decision. NHTSA also concluded that a manufacturer's compliance with EPA's criteria pollutant emissions standards would have a negligible effect on the manufacturer's maximum feasible fuel economy level, based on EPA's specific consideration of its criteria pollutant emissions programs on small volume manufacturers.<sup>18</sup>

Accordingly, NHTSA had proposed alternative standards as follows: For MYs 2018 and prior, NHTSA proposed to use a combination of final fuel economy values received from EPA and some non-final fuel economy values received from manufacturers. NHTSA stated its belief that all manufacturers covered by the proposed decision submitted information sufficient for the agency to conclude that their achieved fuel economy levels for past model years were the maximum feasible fuel economy levels that they could have achieved for those model years.

For MYs 2019–2023, the proposed alternative standards considered both confidential business information (CBI) and non-CBI information submitted to the agency, including the manufacturer's requested alternative standard and predicted achieved fleet fuel economy value (if that value differed from the requested alternative standard). For imminently future model years (*i.e.*, MYs 2022 and 2023), NHTSA proposed standards that did not backslide (*i.e.*, that did not decrease from MY 2022 to 2023).

NHTSA tentatively concluded that the proposed fuel economy levels appropriately balanced the CAFE exemption program with EPCA's directive to conserve energy and that standards that did not backslide for imminently future model years were maximum feasible.

NHTSA sought comment on the analysis that led the agency to propose

<sup>13</sup> See, *e.g.*, 54 FR 40689 (Oct. 3, 1989).

<sup>14</sup> See, *e.g.*, 61 FR 46756 (Sep. 5, 1996), 71 FR 49407 (Aug. 23, 2006). In brief, the estimated amount of additional fuel consumed by the exempted fleet over its operating lifetime is a function of the difference between the manufacturer's actual CAFE standard and their requested alternative standard multiplied by the manufacturer's estimated U.S. production volume, multiplied then by an estimate of the total miles these vehicles could travel as an active part of the fleet. The resulting difference is then divided by the average number of gallons that the total U.S. automotive fleet uses. The final value shows the fleet's additional gallons of fuel use as a percentage of total U.S. automotive fuel use.

<sup>15</sup> Historically, low volume manufacturer petitions for exemption from CAFE standards have covered luxury vehicles, exotic high-performance vehicles, and vehicles exclusively designed to be

used for transporting the wheelchair-bound or other mobility-impaired individuals.

<sup>16</sup> 85 FR 39561 (July 1, 2020).

<sup>17</sup> Final Regulatory Impact Analysis, Corporate Average Fuel Economy for MY 2017–MY 2025 Passenger Cars and Light Trucks, Table IV–3a (August 2012).

<sup>18</sup> 79 FR 23534 (April 28, 2014).

those alternative standards. In addition, NHTSA stated that the agency would consider any additional information submitted by commenters, manufacturers (if additional information became available), or EPA (if additional final fuel economy data became available) submitted during the pendency of the comment period associated with the proposal.

**3. Summary and Response to Comments Received on the Proposal**

NHTSA received four comments to the proposal. One individual commenter opposed the proposed exemption, believing that the exemption should not apply to expensive vehicles.<sup>19</sup> Another individual commenter broadly opposed the CAFE program based on, among other things, general opposition to climate science.<sup>20</sup>

The Alliance for Automotive Innovation (Auto Innovators) agreed with NHTSA’s proposed approach to alternative standards through MY 2023. Auto Innovators stated that manufacturers affected by the proposal for past model year standards “have no ability to change the technologies installed on their vehicles, to alter U.S.-directed production, or to otherwise achieve compliance with the CAFE regulation other than through the purchase of credits from other manufacturers or the payment of civil penalties.”<sup>21</sup> Auto Innovators also stated that MY 2022 production will likely soon be ending, and there is little or no opportunity to change designs for MY 2023 production.<sup>22</sup> Auto Innovators urged NHTSA to propose future

alternative standards at least 18 months before the affected model year, as “low-volume manufacturers require similar or even more lead-time as larger manufacturers to adjust product designs and production plans” if NHTSA were to finalize alternative standards other than those the manufacturer requested in its petition.<sup>23</sup>

Ferrari also supported the proposed alternative standards for affected model years and urged NHTSA to adopt the final standards as quickly as possible.<sup>24</sup> Ferrari reiterated the company’s use of fuel economy-improving technologies, and stated that its fuel economy levels are highly dependent on the mix of models that its purchasers choose because of the limited number of models and powertrains.<sup>25</sup> Ferrari also noted EPA’s final determination for alternative GHG standards for low volume manufacturers, which set standards for Ferrari for MYs 2017 through 2021.<sup>26</sup>

NHTSA considered these four comments. As discussed above, Congress provided in EPCA/EISA statutory authority for NHTSA to exempt a low volume manufacturer of passenger automobiles from the industry-wide passenger car standard if NHTSA concludes that the industry-wide passenger car standard is more stringent than the maximum feasible average fuel economy level that the manufacturer can achieve, and NHTSA establishes an alternative standard for that manufacturer’s fleet of passenger cars at the maximum feasible average fuel economy level that the

manufacturer can achieve. In addition, as stated in the NPRM, NHTSA does not consider the ability of a manufacturer to (through an increase in the price of the vehicle or otherwise) absorb civil penalty payments from having to meet a higher standard.<sup>27</sup> NHTSA disagrees with the individual commenter’s assessment of the state of climate science, and that comment is discussed further in the Final Environmental Assessment, below. Finally, NHTSA considered Auto Innovators’ and Ferrari’s comments and is finalizing these alternative standards as expeditiously as possible.

**4. Maximum Feasible Average Fuel Economy for Exempted Manufacturers**

Considering the information presented in the proposed decision and comments received, NHTSA is setting alternative average fuel economy standards for these seven manufacturers for each model year at the levels identified in the proposed decision. NHTSA used several sources of data to determine these CAFE levels, including final and non-final fuel economy data, and CBI and non-CBI submitted by manufacturers. In addition, the standards do not backslide for imminently future model years. NHTSA believes that these alternative standards are maximum feasible for these manufacturers for these model years, that they are consistent with the purpose of EPCA/EISA, and that they appropriately balance the CAFE exemption program with EPCA’s directive to conserve energy.

TABLE 4—ALTERNATIVE STANDARDS FOR MYs 2008–2023

	Aston Martin	Ferrari	Koenigsegg	McLaren	Mobility Ventures	Pagani	Spyker
2008	19.0						19.6
2009	18.6						19.6
2010	19.2						20.7
2011	19.1						
2012	19.2			23.2			
2013	20.1			24.0			
2014	19.7			23.8	19.6	15.6	
2015	19.8		16.7	22.9	20.1		
2016	20.2	21.7		23.2	20.1	15.6	
2017	21.4	21.5		24.3		15.6	
2018	22.9	21.6	16.7	23.3		15.6	
2019	22.4		16.6	22.5		15.5	
2020	22.6	21.1	16.6	22.5		15.5	
2021	24.9		16.6	21.5		15.5	
2022	24.9		16.9	24.6		15.5	
2023	24.9		16.9	25.7		15.5	

<sup>19</sup> NHTSA–2022–0048–0005.

<sup>20</sup> NHTSA–2022–0048–0007.

<sup>21</sup> NHTSA–2022–0048–0006, Attachment 1, at 1.

<sup>22</sup> *Id.*

<sup>23</sup> NHTSA–2022–0048–0006, Attachment 1, at 2.

<sup>24</sup> NHTSA–2022–0048–0004, Attachment 1, at 3.

<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

<sup>27</sup> 87 FR 39443 (July 1, 2022) (citing 44 FR 3710 (Jan. 18, 1979)).

These alternative standards apply only to Aston Martin Lagonda Limited for MYs 2008–2023, Ferrari N.V. for MYs 2016–2018 and MY 2020, Koenigsegg Automotive AB for MYs 2015 and 2018–2023, McLaren Automotive for MYs 2012–2023, Mobility Ventures LLC for MYs 2014–2016, Pagani Automobili S.p.A for MYs 2014 and 2016–2023, and Spyker Automobielen B.V. for MYs 2008–2010. They do not apply to low volume manufacturers generally or to a class of automobiles of exempted manufacturers. Readers should remember that NHTSA does not set alternative standards for a given model year unless a manufacturer has requested them, and thus certain cells in the table above are blank.

NHTSA is also finalizing the correction to the reference to alternative fuel economy standards in 49 CFR 531.5(a), as paragraph (f) does not exist.

## 5. Regulatory Impact Analyses

### a. Regulatory Evaluation

NHTSA has considered the potential impacts of this action under Executive Order (E.O.) 12866 and the Department of Transportation's regulatory policies and procedures and has concluded that those orders do not apply because this action is not an agency statement of general applicability and future effect. This decision is not generally applicable, because the agency has proposed to set alternative average fuel economy standards for each manufacturer.

### b. Regulatory Flexibility Determination

Pursuant to the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*, as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996), whenever an agency is required to publish a notice of proposed rulemaking, it must prepare and make available for public comment a regulatory flexibility analysis that describes the effect of the rule on small entities (*i.e.*, small businesses, small organizations, and small governmental jurisdictions) unless the head of an agency certifies the proposal will not have a significant economic impact on a substantial number of small entities. The Small Business Administration's regulations at 13 CFR part 121 define a small business, in part, as a business entity "which operates primarily within the United States." (13 CFR part 121.105(a)). SBREFA amended the Regulatory Flexibility Act to require Federal agencies to provide a statement of the factual basis for certifying that a proposal will not have a significant

economic impact on a substantial number of small entities.

I certify this final decision will not have a significant impact on a substantial number of small entities. This final decision exempts low volume manufacturers from the generally applicable passenger car CAFE standards and sets alternative standards for those low volume manufacturers at maximum feasible levels.

### c. National Environmental Policy Act

The National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321–4347) requires Federal agencies to consider the environmental impacts of proposed major Federal actions significantly affecting the quality of the human environment, as well as the impacts of alternatives to the proposed action.<sup>28</sup> The Council on Environmental Quality (CEQ) NEPA implementing regulations (40 CFR parts 1500–1508) direct Federal agencies to prepare an environmental assessment for a proposed action that is not likely to have significant effects or when the significance of the effects is unknown.<sup>29</sup> The environmental assessment must "briefly discuss the purpose and need for the proposed action, alternatives[ ], and the environmental impacts of the proposed action and alternatives, and include a listing of agencies and persons consulted."<sup>30</sup> This section serves as the National Highway Traffic Safety Administration's (NHTSA) Final Environmental Assessment (Final EA).

#### 1. Purpose and Need for Action

In accordance with the Energy Policy and Conservation Act (EPCA) of 1975, as amended by the Energy Independence and Security Act (EISA) of 2007, and the procedures at 49 CFR part 525, the purpose of this action is to set alternative corporate average fuel economy (CAFE) standards for low volume manufacturers that have petitioned the agency for an alternative standard at the maximum feasible fuel economy level that NHTSA believes each manufacturer can achieve in each model year. While the purpose of setting industry-wide fuel economy standards under EPCA/EISA is, among other things, energy conservation, Congress granted NHTSA the ability to provide an exemption to low volume manufacturers in part because it believed that the need of the United States to conserve energy would not be adversely affected by allowing the limited exemption.<sup>31</sup> If

NHTSA did not grant alternative standards for low volume manufacturers, they would have to meet the industry-wide passenger car standard in each applicable model year, which, in most if not all cases, is more stringent than the maximum feasible fuel economy level that NHTSA believes these low volume manufacturers can achieve.

When determining the maximum feasible fuel economy levels that manufacturers can achieve in each model year, EPCA/EISA requires that NHTSA consider four factors: technological feasibility, economic practicability, the effect of other motor vehicle standards of the government on fuel economy, and the need of the United States to conserve energy. NHTSA relies on information in each low volume manufacturer's petition for exemption to propose alternative average fuel economy standards at the maximum feasible level for each manufacturer. However, the unique nature of this action requires NHTSA to set maximum feasible standards for model years that have already passed. NHTSA's proposed action and range of alternatives considered below reflect these statutory and practical considerations.

#### 2. Proposed Action and Alternatives

The Draft EA considered a "no-action alternative" and two alternatives. The "no-action alternative" assumed that in the absence of NHTSA action on their petitions, manufacturers would meet their footprint-based CAFE standard for MYs 2013–2023.<sup>32</sup> One alternative proposed to set alternative standards at the levels that the manufacturers requested for model years for which NHTSA does not have final fuel economy data (the "as-requested" alternative); and the preferred alternative proposed to set standards at the levels detailed in the preamble above. NHTSA did not consider an alternative that proposed to set an alternative standard for a model year at a lower level than the manufacturer achieved in past model years (*i.e.*, in some cases for past model years what

<sup>32</sup> As discussed in the proposal and Draft EA (87 FR 39439, July 1, 2022), NHTSA has expired MY 2012 and earlier fuel economy credits in accordance with 49 CFR 536.5(c)(2), meaning that low volume manufacturers that built vehicles in MYs 2008–2012 cannot now buy fuel economy credits from manufacturers that exceeded their CAFE standard in those years to offset the CAFE values of the low volume vehicles produced in those years. As a simplifying assumption, because there can be no difference between the fuel used in MYs 2008–2012 under the no-action alternative baseline and action scenarios, fuel use in those years was not considered.

<sup>28</sup> 42 U.S.C. 4332(2)(C).

<sup>29</sup> 40 CFR 1501.5(a).

<sup>30</sup> 40 CFR 1501.5(c)(2).

<sup>31</sup> See, *e.g.*, 44 FR at 3711 (Jan. 18, 1979).

the manufacturer requested) because that would not have been the maximum feasible fuel economy level that the manufacturer could achieved.

3. Affected Environment

The Draft EA described that NHTSA actions regulating motor vehicle fuel economy could have a range of environmental impacts, including on energy use, air quality, climate change, resource extraction and use, and on environmental justice communities, among others. Every time NHTSA sets industry-wide CAFE standards, the agency examines the environmental impact of the proposed standards and a range of alternatives on these resources in an environmental impact statement (EIS). The EIS uses estimates of fuel consumption that would result if the agency adopted different levels of fuel economy standards to quantitatively estimate the impacts on energy use, air quality, and greenhouse gas emissions and climate change. NHTSA also qualitatively discusses the lesser

impacts on other resource areas, including land use and development, hazardous materials and regulated waste, historical and cultural resources, noise, and environmental justice.

NHTSA’s Final Supplemental Environmental Impact Statement (Final SEIS) for MY 2024–2026 passenger car and light truck fuel economy standards (hereinafter “Final SEIS”) provided the most up-to-date estimates of the impact of different levels of fuel economy standards on these resource areas and discussion of the environmental impacts, at the time that NHTSA was completing the Draft EA associated with this decision.<sup>33</sup> The Final SEIS discussions of environmental impacts resulting from changes in fuel use from motor vehicles were incorporated by reference in the Draft EA,<sup>34</sup> and the Draft EA contains a summary of those discussions.<sup>35</sup>

4. Environmental Consequences

The Draft EA estimated the levels of changes in fuel consumption under the “no-action alternative” and two

alternatives to provide a starting point to estimate a relative potential range of environmental impacts. To estimate the amount of additional fuel consumed by the exempted fleet over its operating lifetime,<sup>36</sup> NHTSA calculated the difference between the low volume manufacturer’s footprint-based standard for MY 2013 forward (*i.e.*, the estimated fuel used under the no-action alternative, for model years for which fuel economy credits are available) and its proposed alternative standard (or achieved fleet fuel economy for model years that have already passed). NHTSA multiplied this difference by the manufacturer’s estimated U.S. production volume,<sup>37</sup> and then by estimated total miles that these vehicles could travel as an active part of the fleet (*i.e.*, the vehicles’ estimated yearly VMT).<sup>38</sup> The resulting estimates of additional lifetime fuel consumption for all manufacturers and model years considered in this action compared to the no-action alternative are shown below.

TABLE 6—ESTIMATED ADDITIONAL LIFETIME FUEL CONSUMPTION

	No action	Preferred alternative	As requested
Total Gallons .....	48,873,908	88,643,357	88,997,267
Difference from the No-Action Alternative .....	.....	39,769,449	40,123,359

To put this in perspective, NHTSA looked at the average amount of fuel consumed by an average passenger car subject to the industry-wide passenger car CAFE standard over its useful life, in this case a MY 2017 Toyota Camry. The estimated total gallons of fuel used if standards are set at the levels proposed in this action are roughly equivalent to the fuel used by approximately 8,534 MY 2017 Toyota Camrys. In other words, setting alternative standards at the levels proposed in this notice for the 15 model years covered by this notice would have the energy effect of a one-time addition of 171 MY 2017 Toyota Camrys per U.S. state. Compared to the pre-pandemic peak of approximately 17 million vehicles sold in the United States in a

model year, the vehicles considered in this notice that cover fifteen model years contribute only a small amount to total U.S. transportation fuel use.

As with the impacts to energy use, NHTSA tentatively concluded that the proposed action would have a relatively minimal impact on air quality, and accordingly, air quality-related health effects, based on the relative percentage of fuel used by the vehicles considered in this action compared to total light-duty vehicle fuel use. As discussed in Chapter 4 of NHTSA’s Final SEIS, nationwide criteria pollutant emissions from vehicle tailpipes are projected to decrease over time, even as VMT increases, due to increasingly stringent EPA regulation of criteria pollutant emissions and reductions in emissions from fuel production. NHTSA does not

expect that trend to change based on the levels of fuel use projected for this action. In addition, some of the increases in criteria pollutant emissions projected in the Final SEIS are due to increases in upstream emissions from power plants from increased electric vehicle use. The vehicles considered in this action run primarily on gasoline; none of the vehicles with electrified powertrains draw energy from the electric grid. The same projected trends exist for toxic air pollutants; emissions are projected to decrease through 2050 based on increasingly stringent EPA regulations and reductions in emissions from fuel production, despite growth in total VMT. NHTSA does not expect that any of these trends would change based

<sup>33</sup> NHTSA has released a Draft Environmental Impact Statement for Corporate Average Fuel Economy Standards for Passenger Cars and Light Trucks, Model Years 2027–2032, and Fuel Efficiency Standards for Heavy-Duty Pickup Trucks and Vans, Model Years 2030–2035, available at <https://www.regulations.gov/docket/NHTSA-2022-0075>. This Draft EIS has additional analysis of the affected environment and environmental consequences associated with different levels of fuel economy and fuel efficiency standards; however, there is an ongoing comment period for

that Draft EIS and NHTSA is still receiving comments on the approach and analysis used in that Draft EIS, which may yet be updated in the Final EIS. Accordingly, NHTSA continues to reference the Final SEIS mentioned above in this Final EA/FONSI.

<sup>34</sup> 40 CFR 1501.12.

<sup>35</sup> 87 FR 39455 (July 1, 2022).

<sup>36</sup> Approximately 15 years, based on the estimated passenger sedan life as calculated in the latest industry-wide CAFE rulemaking action.

<sup>37</sup> As discussed in the proposal, where NHTSA did not have final production data for a manufacturer, in particular where estimated production data is still confidential, the agency averaged the last three years of a manufacturers’ actual production data.

<sup>38</sup> As discussed in the proposal, NHTSA estimated that a high-performance vehicle would travel 2,543 miles per year, while a mobility van would travel 11,128 miles per year.

on the minor increases in fuel use projected from this decision.

To estimate the approximate effect that this action would have on greenhouse gas emissions, NHTSA first used EPA's Greenhouse Gas Equivalencies Calculator to convert the estimated additional gallons of gasoline that would be used under the alternatives to metric tons of carbon dioxide equivalent emissions.<sup>39</sup> Over the lifetime of all model year vehicles considered in this notice (15 model years' worth of vehicles that each last approximately 15 years), for the fuel use considered in this action, the following additional carbon dioxide equivalent emissions are expected to result: 285,193 metric tons of carbon dioxide equivalent emissions under the "as-requested" alternative, and 282,047 metric tons of carbon dioxide equivalent emissions at the preferred alternative levels. To put this in perspective, NHTSA referenced EPA's Inventory of U.S. Greenhouse Gas Emissions and Sinks 1990–2019 report, which estimated that the U.S. passenger car and light truck vehicle fleet emits a little over a thousand million metric tons of carbon dioxide equivalent emissions per year (averaged over 2017, 2018, and 2019).<sup>40</sup> Over the useful life of a vehicle considered in this action, the vehicles considered in this action are estimated to produce an estimated increase in carbon dioxide equivalent emissions of 0.00169% and 0.00167% (for the as-requested and preferred alternative levels, respectively) of total light-duty vehicle carbon dioxide equivalent emissions over what the vehicles would have produced had they met their footprint-based standard.

NHTSA did not perform independent climate modeling because the agency believes that it is reasonable to infer that if relatively small—but not trivial—climate impacts would result from large-scale changes in fuel use from changes in the industry-wide passenger car and light truck standards, as demonstrated in the Final SEIS and referenced in the Draft EA, estimating the impacts of the no-action alternative and alternatives

presented in this notice would not present any additional meaningful information for decisionmakers and the public.

Some potential impacts of the proposed action could be mitigated through other means; as discussed above, EPA also sets alternative carbon dioxide emissions standards for some of the low volume manufacturers considered in this notice. Unlike the structure of EPCA/EISA, which allows civil penalty payment for each 0.1 of a mile a gallon by which the manufacturer falls short of the applicable average fuel economy standard,<sup>41</sup> manufacturers must comply with EPA regulations promulgated under the Clean Air Act to sell their vehicles. To the extent that EPA sets higher alternative standards for model years 2022 and 2023 vehicles, some of the estimated impacts could potentially be mitigated. Next, the estimates of fuel use presented here are dependent on several assumptions, one being how many miles these vehicles are driven. The vehicles covered by this final decision represent an extremely small fraction of overall motor vehicle sales and on-road VMT; most of the vehicles considered in this notice are estimated to drive only a quarter of the mileage of the average passenger car. If these vehicles were or are driven less than NHTSA estimated, fuel use, air quality impacts, and greenhouse gas emissions would be reduced accordingly. However, to the extent that some of the vehicles considered in this action have already been built and sold, the impacts of those vehicles achieving a lower fuel economy level than their footprint-based standard represent an unavoidable adverse impact.

Both alternatives considered in the Draft EA and now this Final EA result in increased fuel use compared to the no-action alternative; however, the preferred alternative does result in marginally less estimated fuel use than the "as requested" alternative. NHTSA does not believe that establishing alternative CAFE standards at the preferred alternative levels would contribute appreciably to any of the environmental impacts considered in this Final EA.

NHTSA invited public comments on the contents and tentative conclusions of the Draft EA. No public comments directly addressing the Draft EA were received. One individual commenter loosely commented in opposition to industry-wide fuel economy regulations based on, among other things, concern about the quality and integrity of data

used in climate science.<sup>42</sup> NHTSA disagrees with the commenter's assessment of the quality and integrity of peer-reviewed studies on climate change, and summarizes in the Final SEIS the panel-reviewed synthesis and assessment reports from various agencies that NHTSA relies on,<sup>43</sup> in accordance with CEQ regulations to ensure the scientific integrity of discussions and analyses in environmental documents.<sup>44</sup> As discussed in the Final SEIS, NHTSA relies on panel-reviewed synthesis and assessment reports "because these reports assess numerous individual studies to draw general conclusions about the state of climate science and potential impacts of climate change, as summarized or found in peer-reviewed reports. These reports are reviewed and formally accepted by, commissioned by, or in some cases authored by U.S. government agencies and individual government scientists, and in many cases reflect and convey the consensus conclusions of expert authors. These sources have been vetted by both the climate change research community and by the U.S. government."<sup>45</sup> NHTSA notes here and in the Final SEIS that uncertainty still exists, as with any analysis of complex, long-term changes that involve many assumptions and uncertainties. That is why "NHTSA relies on methods and data to analyze climate impacts that represent the best and most current information available on this topic and that have been subjected to extensive peer review and scrutiny."<sup>46</sup>

NHTSA did not make any changes to the Final EA in response to this comment.

## 5. Agencies and Persons Consulted

NHTSA coordinated with EPA to seek its feedback on the Draft EA, and EPA had no comments or suggested changes. NHTSA also coordinated with EPA for further input in drafting the Final EA.

## 6. Finding of No Significant Impact

NHTSA has reviewed the information presented in this Final EA and concludes that the proposed action will not have a significant effect on the human environment and that a "finding of no significant impact" is appropriate. This statement constitutes the agency's "finding of no significant impact," and an environmental impact statement will not be prepared.

<sup>39</sup> U.S. EPA Greenhouse Gas Equivalencies Calculator, <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>. EPA specifies that estimates from this calculator are approximate and should not be used for emission inventories or formal carbon emissions analysis. NHTSA used these estimates as part of its determination that a formal carbon emissions analysis is not required for this action.

<sup>40</sup> U.S. EPA, Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2019, at Table 2–13, available at [https://www.epa.gov/sites/default/files/2021-04/documents/us-ghg-inventory-2021-main-text.pdf?VersionId=wEy8wQuGrWS8Ej\\_hSLXHy1kYwKs4.ZaU](https://www.epa.gov/sites/default/files/2021-04/documents/us-ghg-inventory-2021-main-text.pdf?VersionId=wEy8wQuGrWS8Ej_hSLXHy1kYwKs4.ZaU).

<sup>41</sup> 49 U.S.C. 32912(b).

<sup>42</sup> NHTSA–2022–0048–0007, Attachment 1.

<sup>43</sup> Final SEIS, at 5–1.

<sup>44</sup> See, e.g., 40 CFR 1502.23.

<sup>45</sup> Final SEIS, at 5–2.

<sup>46</sup> *Id.*

**Regulatory Text**

**List of Subjects in 49 CFR Part 531**

Energy conservation, Gasoline, Imports, Motor vehicles.

In consideration of the foregoing, 49 CFR part 531 is amended as follows:

**PART 531—PASSENGER AUTOMOBILE AVERAGE FUEL ECONOMY STANDARDS**

■ 1. The authority citation for part 531 is revised to read as follows:

**Authority:** 49 U.S.C. 32902, delegation of authority at 49 CFR 1.95.

■ 2. Amend § 531.5 by:

- a. Removing from paragraph (a) the term “paragraph (f)” and adding in its place the term “paragraph (e)”;
- b. Revising paragraphs (e)(4) and (15); and
- c. Adding paragraphs (e)(16) through (20).

The revisions and additions read as follows:

**§ 531.5 Fuel economy standards.**

\* \* \* \* \*

(e) \* \* \*

(4) Aston Martin Lagonda Limited

**TABLE 8 TO § 531.5(e)(4)—AVERAGE FUEL ECONOMY STANDARD**

Model year	(Miles per gallon)
1979	11.5
1980	12.1
1981	12.2
1982	12.2
1983	11.3
1984	11.3
1985	11.4
2008	19.0
2009	18.6
2010	19.2
2011	19.1
2012	19.2
2013	20.1
2014	19.7
2015	19.8
2016	20.2
2017	21.4
2018	22.9
2019	22.4
2020	22.6
2021	24.9
2022	24.9
2023	24.9

\* \* \* \* \*

(15) Spyker Automobielen B.V.

**TABLE 19 TO § 531.5(e)(15)—AVERAGE FUEL ECONOMY STANDARD**

Model year	(Miles per gallon)
2006	18.9

**TABLE 19 TO § 531.5(e)(15)—AVERAGE FUEL ECONOMY STANDARD—Continued**

Model year	(Miles per gallon)
2007	18.9
2008	19.6
2009	19.6
2010	20.7

(16) Ferrari

**TABLE 20 TO § 531.5(e)(16)—AVERAGE FUEL ECONOMY STANDARD**

Model year	(Miles per gallon)
2016	21.7
2017	21.5
2018	21.6
2020	21.1

(17) Koenigsegg

**TABLE 21 TO § 531.5(e)(17)—AVERAGE FUEL ECONOMY STANDARD**

Model year	(Miles per gallon)
2015	16.7
2018	16.7
2019	16.6
2020	16.6
2021	16.6
2022	16.9
2023	16.9

(18) McLaren

**TABLE 22 TO § 531.5(e)(18)—AVERAGE FUEL ECONOMY STANDARD**

Model year	(Miles per gallon)
2012	23.2
2013	24.0
2014	23.8
2015	22.9
2016	23.2
2017	24.3
2018	23.3
2019	22.5
2020	22.5
2021	21.5
2022	24.6
2023	25.7

(19) Mobility Ventures

**TABLE 23 TO § 531.5(e)(19)—AVERAGE FUEL ECONOMY STANDARD**

Model year	(Miles per gallon)
2014	19.6
2015	20.1
2016	20.1

(20) Pagani

**TABLE 24 TO § 531.5(e)(20)—AVERAGE FUEL ECONOMY STANDARD**

Model year	(Miles per gallon)
2014	15.6
2016	15.6
2017	15.6
2018	15.6
2019	15.5
2020	15.5
2021	15.5
2022	15.5
2023	15.5

Issued under authority delegated in 49 CFR 1.95 and 49 CFR 501.4.

**Sophie Shulman,**

*Deputy Administrator.*

[FR Doc. 2024–03119 Filed 2–16–24; 8:45 am]

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**DEPARTMENT OF COMMERCE**

**National Oceanic and Atmospheric Administration**

**50 CFR Part 679**

[Docket No. 230224–0053; RTID 0648–XD734]

**Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod in the Central Regulatory Area of the Gulf of Alaska**

**AGENCY:** National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

**ACTION:** Temporary rule; closure.

**SUMMARY:** NMFS is prohibiting directed fishing for the Pacific cod sideboard limit by non-exempt American Fisheries Act (AFA) catcher vessels in the Central Regulatory Area of the Gulf of Alaska (GOA). This action is necessary to prevent exceeding the annual 2024 Pacific cod sideboard limit established for non-exempt AFA catcher vessels in the Central Regulatory Area of the GOA.

**DATES:** Effective 1200 hours, Alaska local time (A.l.t.), February 15, 2024, through 2400 hours, A.l.t., December 31, 2024.

**FOR FURTHER INFORMATION CONTACT:** Adam Zaleski, 907–586–7228.

**SUPPLEMENTARY INFORMATION:** NMFS manages the groundfish fishery in the GOA exclusive economic zone according to the Fishery Management Plan for Groundfish of the Gulf of Alaska (FMP) prepared by the North Pacific Fishery Management Council