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standards after the end of each model year, if—

(1) For heavy-duty pickup trucks and vans, the manufacturer's fleet average performance, as determined in § 535.6, is less than the fleet average standard; or

(2) For truck tractors, vocational vehicles, and engines the manufacturer's fuel consumption performance for each vehicle or engine family (or subfamily), as determined in § 535.6, is lower than the applicable regulatory subcategory standards in § 535.5.

(3) [Reserved]

(4) NHTSA will use the EPA final verified values as specified in 40 CFR 86.1819, 40 CFR 1036.755, and 1037.755 for making final determinations on whether vehicles and engines comply with fuel consumption standards.

(5) A manufacturer fails to comply with fuel consumption standards if its final reports are not provided in accordance with § 535.8 and 40 CFR 86.1865, 1036.730, and 1037.730. Manufacturers not providing complete or accurate final reports or any plans by the required deadlines do not comply with fuel consumption standards. A manufacturer that is unable to provide any emissions results along with comparable fuel consumption values must obtain permission for EPA to exclude the results prior to the deadline for submitting final reports.

(6) A manufacturer that would otherwise fail to directly comply with fuel consumption standards as described in paragraphs (c)(1) through (3) of this section may use one or more of the credit flexibilities provided under the NHTSA averaging, banking and trading program, as specified in § 535.7, but must offset all credit deficits in its averaging sets to achieve compliance.

(7) A manufacturer failing to comply with the provisions specified in this part may be liable to pay civil penalties in accordance with § 535.9.

(8) A manufacturer may also be liable to pay civil penalties if found by EPA or NHTSA to have provided false information as identified through NHTSA or EPA enforcement audits or new vehicle verification testing as specified in § 535.9 and 40 CFR parts 86, 1036, and 1037.

[81 FR 74238, Oct. 25, 2016, as amended at 89 FR 18831, Mar. 15, 2024]

49 CFR Ch. V (10–1–24 Edition)

PART 536—TRANSFER AND TRADING OF FUEL ECONOMY CREDITS

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AUTHORITY: 49 U.S.C. 32903; delegation of authority at 49 CFR 1.95.

SOURCE: 87 FR 26082, May 2, 2022, unless otherwise noted.

§ 536.1 Scope.

This part establishes regulations governing the use and application of corporate average fuel economy (CAFE) credits up to three model years before and five model years after the model year in which the credit was earned. It also specifies requirements for manufacturers wishing to transfer fuel economy credits between their fleets and for manufacturers and other persons wishing to trade fuel economy credits to achieve compliance with prescribed fuel economy standards.

§ 536.2 Application.

This part applies to all credits earned (and transferable and tradable) for exceeding applicable average fuel economy standards in a given model year for domestically manufactured passenger cars, imported passenger cars, and light trucks.

§ 536.3 Definitions.

(a) *Statutory terms.* All terms defined in 49 U.S.C. 32901(a) are used pursuant to their statutory meaning.

(b) *Other terms.* (1) *Above standard fuel economy* means, with respect to a compliance category, that the automobiles manufactured by a manufacturer in

that compliance category in a particular model year have greater average fuel economy (calculated in a manner that reflects the incentives for alternative fuel automobiles per 49 U.S.C. 32905) than that manufacturer's fuel economy standard for that compliance category and model year.

(2) *Adjustment factor* means a factor used to adjust the value of a traded or transferred credit for compliance purposes to ensure that the compliance value of the credit when used reflects the total volume of oil saved when the credit was earned.

(3) *Below standard fuel economy* means, with respect to a compliance category, that the automobiles manufactured by a manufacturer in that compliance category in a particular model year have lower average fuel economy (calculated in a manner that reflects the incentives for alternative fuel automobiles per 49 U.S.C. 32905) than that manufacturer's fuel economy standard for that compliance category and model year.

(4) *Compliance* means a manufacturer achieves compliance in a particular compliance category when:

(i) The average fuel economy of the vehicles in that category exceed or meet the fuel economy standard for that category; or

(ii) The average fuel economy of the vehicles in that category do not meet the fuel economy standard for that category, but the manufacturer proffers a sufficient number of valid credits, adjusted for total oil savings, to cover the gap between the average fuel economy of the vehicles in that category and the required average fuel economy. A manufacturer achieves compliance for its fleet if the conditions in paragraph (b)(4)(i) of this section or this paragraph (b)(4)(ii) are simultaneously met for all compliance categories.

(5) *Compliance category* means any of three categories of automobiles subject to Federal fuel economy regulations in this chapter. The three compliance categories recognized by 49 U.S.C. 32903(g)(6) are domestically manufactured passenger automobiles, imported passenger automobiles, and non-passenger automobiles ("light trucks").

(6) *Credit holder (or holder)* means a legal person that has valid possession

of credits, either because they are a manufacturer who has earned credits by exceeding an applicable fuel economy standard in this chapter, or because they are a designated recipient who has received credits from another holder. Credit holders need not be manufacturers, although all manufacturers may be credit holders.

(7) *Credits (or fuel economy credits)* means an earned or purchased allowance recognizing that the average fuel economy of a particular manufacturer's vehicles within a particular compliance category and model year exceeds that manufacturer's fuel economy standard for that compliance category and model year. One credit is equal to $\frac{1}{16}$ of a mile per gallon above the fuel economy standard per one vehicle within a compliance category. Credits are denominated according to model year in which they are earned (vintage), originating manufacturer, and compliance category.

(8) *Expiry date* means the model year after which fuel economy credits may no longer be used to achieve compliance with fuel economy regulations in this chapter. Expiry dates are calculated in terms of model years: For example, if a manufacturer earns credits for model year 2011, these credits may be used for compliance in model years 2008–2016.

(9) *Fleet* means all automobiles that are manufactured by a manufacturer in a particular model year and are subject to fuel economy standards under parts 531 and 533 of this chapter. For the purposes of this part, a manufacturer's fleet means all domestically manufactured and imported passenger automobiles and non-passenger automobiles ("light trucks"). "Work trucks" and medium and heavy trucks are not included in this definition for purposes of this part.

(10) *Light truck* means the same as "non-passenger automobile," as that term is defined in 49 U.S.C. 32901(a)(17), and as "light truck," as that term is defined at § 523.5 of this chapter.

(11) *Originating manufacturer* means the manufacturer that originally earned a particular credit. Each credit earned will be identified with the name of the originating manufacturer.

(12) *Trade* means the receipt by the National Highway Traffic Administration (NHTSA) of an instruction from a credit holder to place one of its credits in the account of another credit holder. A credit that has been traded can be identified because the originating manufacturer will be a different party than the current credit holder. Traded credits are moved from one credit holder to the recipient credit holder within the same compliance category for which the credits were originally earned. If a credit has been traded to another credit holder and is subsequently traded back to the originating manufacturer, it will be deemed not to have been traded for compliance purposes.

(13) *Transfer* means the application by a manufacturer of credits earned by that manufacturer in one compliance category or credits acquired by trade (and originally earned by another manufacturer in that category) to achieve compliance with fuel economy standards with respect to a different compliance category. For example, a manufacturer may purchase light truck credits from another manufacturer, and transfer them to achieve compliance in the manufacturer's domestically manufactured passenger car fleet. Subject to the credit transfer limitations of 49 U.S.C. 32903(g)(3), credits can also be transferred across compliance categories and banked or saved in that category to be carried forward or backwards later to address a credit shortfall.

(14) *Vintage* means, with respect to a credit, the model year in which the credit was earned.

§ 536.4 Credits.

(a) *Type and vintage.* All credits are identified and distinguished in the accounts by originating manufacturer, compliance category, and model year of origin (vintage).

(b) *Application of credits.* All credits earned and applied are calculated, per 49 U.S.C. 32903(c), in tenths of a mile per gallon by which the average fuel economy of vehicles in a particular compliance category manufactured by a manufacturer in the model year in which the credits are earned exceeds the applicable average fuel economy standard, multiplied by the number of vehicles sold in that compliance category. However, credits that have been traded between credit holders or transferred between compliance categories are valued for compliance purposes using the adjustment factor specified in paragraph (c) of this section, pursuant to the "total oil savings" requirement of 49 U.S.C. 32903(f)(1).

(c) *Adjustment factor.* When traded or transferred and used, fuel economy credits are adjusted to ensure fuel oil savings is preserved. For traded credits, the user (or buyer) must multiply the calculated adjustment factor by the number of shortfall credits it plans to offset in order to determine the number of equivalent credits to acquire from the earner (or seller). For transferred credits, the user of credits must multiply the calculated adjustment factor by the number of shortfall credits it plans to offset in order to determine the number of equivalent credits to transfer from the compliance category holding the available credits. The adjustment factor is calculated according to the following formula in figure 1 to this paragraph (c):

Figure 1 to § 536.4(c)--Formula for Calculating Adjustment Factor

$$A = \left(\frac{VMT_u * MPG_{ae} * MPG_{se}}{VMT_e * MPG_{au} * MPG_{su}} \right)$$

Where:

- A* = Adjustment factor applied to traded and transferred credits. The quotient shall be rounded to 4 decimal places;
- VMTe* = Lifetime vehicle miles traveled as provided in the following Table 1 to this paragraph (c) for the model year and compliance category in which the credit was earned;
- VMTu* = Lifetime vehicle miles traveled as provided in the following Table 1 to this paragraph (c) for the model year and compliance category in which the credit is used for compliance;
- MPGse* = Required fuel economy standard for the originating (earning) manufacturer,

- compliance category, and model year in which the credit was earned;
- MPGae* = Actual fuel economy for the originating manufacturer, compliance category, and model year in which the credit was earned;
- MPGsu* = Required fuel economy standard for the user (buying) manufacturer, compliance category, and model year in which the credit is used for compliance; and
- MPGau* = Actual fuel economy for the user manufacturer, compliance category, and model year in which the credit is used for compliance.

TABLE 1 TO § 536.4(c)—LIFETIME VEHICLE MILES TRAVELED

Model year	Lifetime vehicle miles traveled (VMT)					
	2012	2013	2014	2015	2016	2017–2031
Passenger Cars	177,238	177,366	178,652	180,497	182,134	195,264
Light Trucks	208,471	208,537	209,974	212,040	213,954	225,865

[87 FR 26082, May 2, 2022, as amended at 89 FR 52953, June 24, 2024]

§ 536.5 Trading infrastructure.

(a) *Accounts.* NHTSA maintains “accounts” for each credit holder. The account consists of a balance of credits in each compliance category and vintage held by the holder.

(b) *Who may hold credits.* Every manufacturer subject to fuel economy standards under part 531 or 533 of this chapter is automatically an account holder. If the manufacturer earns credits pursuant to this part, or receives credits from another party, so that the manufacturer’s account has a non-zero balance, then the manufacturer is also a credit holder. Any party designated as a recipient of credits by a current credit holder will receive an account from NHTSA and become a credit holder, subject to the following conditions:

- (1) A designated recipient must provide name, address, contacting information, and a valid taxpayer identification number or Social Security number;
- (2) NHTSA does not grant a request to open a new account by any party other than a party designated as a recipient of credits by a credit holder; and
- (3) NHTSA maintains accounts with zero balances for a period of time, but reserves the right to close accounts

that have had zero balances for more than one year.

(c) *Automatic debits and credits of accounts.* (1) To carry credits forward, backward, transfer credits, or trade credits into other credit accounts, a manufacturer or credit holder must submit a credit instruction to NHTSA. A credit instruction must detail and include:

- (i) The credit holder(s) involved in the transaction.
- (ii) The originating credits described by the amount of the credits, compliance category and the vintage of the credits.
- (iii) The recipient credit account(s) for banking or applying the originating credits described by the compliance category(ies), model year(s), and if applicable the adjusted credit amount(s) and adjustment factor(s).
- (iv) For trades, a contract authorizing the trade signed by the manufacturers or credit holders or by managers legally authorized to obligate the sale and purchase of the traded credits.

(2) Upon receipt of a credit instruction from an existing credit holder, NHTSA verifies the presence of sufficient credits in the account(s) of the credit holder(s) involved as applicable and notifies the credit holder(s) that

the credits will be debited from and/or credited to the accounts involved, as specified in the credit instruction. NHTSA determines if the credits can be debited or credited based upon the amount of available credits, accurate application of any adjustment factors and the credit requirements prescribed by this part that are applicable at the time the transaction is requested.

(3) After notifying the credit holder(s), all accounts involved are either credited or debited, as appropriate, in line with the credit instruction. Traded credits identified by a specific compliance category are deposited into the recipient's account in that same compliance category and model year. If a recipient of credits as identified in a credit instruction is not a current account holder, NHTSA establishes the credit recipient's account, subject to the conditions described in paragraph (b) of this section, and adds the credits to the newly-opened account.

(4) NHTSA will automatically delete unused credits from holders' accounts when those credits reach their expiry date.

(5) Starting January 1, 2022, all parties trading credits must also provide NHTSA the price paid for the credits including a description of any other monetary or non-monetary terms affecting the price of the traded credits, such as any technology exchanged or shared in exchange for the credits, any other non-monetary payment for the credits, or any other agreements related to the trade.

(6) Starting September 1, 2022, manufacturers or credit holders issuing credit instructions or providing credit allocation plans as specified in paragraph (d) of this section, must use and submit the NHTSA Credit Template fillable form (Office of Management and Budget (OMB) Control No. 2127–0019, NHTSA Form 1475). In the case of a trade, manufacturers or credit holders buying traded credits must use the credit transactions template to submit trade instructions to NHTSA. Manufacturers or credit holders selling credits are not required to submit trade instructions. The NHTSA Credit Template must be signed by managers legally authorized to obligate the sale and/or purchase of the traded credits from both parties to

the trade. The NHTSA Credit Template signed by both parties to the trade serves as an acknowledgement that the parties have agreed to trade a certain amount of credits, and does not dictate terms, conditions, or other business obligations of the parties.

(7) NHTSA will consider claims that information submitted to the agency under this section is entitled to confidential treatment under 5 U.S.C. 552(b) and under the provisions of part 512 of this chapter if the information is submitted in accordance with the procedures of part 512. The NHTSA Credit Template is available for download on the CAFE Public Information Center website. Manufacturers must submit the cost information to NHTSA in a PDF document along with the Credit Template through the CAFE email, cafe@dot.gov. NHTSA reserves the right to request additional information from the parties regarding the terms of the trade.

(d) *Compliance.* (1) NHTSA assesses compliance with fuel economy standards each year, utilizing the certified and reported CAFE data provided by the Environmental Protection Agency (EPA) for enforcement of the CAFE program pursuant to 49 U.S.C. 32904(e). Credit values are calculated based on the CAFE data from the EPA. If a particular compliance category within a manufacturer's fleet has above standard fuel economy, NHTSA adds credits to the manufacturer's account for that compliance category and vintage in the appropriate amount by which the manufacturer has exceeded the applicable standard.

(2) If a manufacturer's vehicles in a particular compliance category have below standard fuel economy, NHTSA will provide written notification to the manufacturer that it has failed to meet a particular fleet target standard. The manufacturer will be required to confirm the shortfall and must either: submit a plan indicating how it will allocate existing credits or earn, transfer and/or acquire credits; or pay the appropriate civil penalty. The manufacturer must submit a plan or payment within 60 days of receiving agency notification.

(3) Credits used to offset shortfalls are subject to the three- and five-year limitations as described in § 536.6.

(4) Transferred credits are subject to the limitations specified by 49 U.S.C. 32903(g)(3) and this part.

(5) The value, when used for compliance, of any credits received via trade or transfer is adjusted, using the adjustment factor described in § 536.4(c), pursuant to 49 U.S.C. 32903(f)(1).

(6) Credit allocation plans received from a manufacturer will be reviewed and approved by NHTSA. Starting in model year 2022, credit holders must use the NHTSA Credit Template (OMB Control No. 2127-0019, NHTSA Forms 1475) to record the credit transactions. The template is a fillable form that has an option for recording and calculating credit transactions for credit allocation plans. The template calculates the required adjustments to the credits. The credit allocation plan and the completed transaction templates must be submitted to NHTSA. NHTSA will approve the credit allocation plan unless it finds that the proposed credits are unavailable or that it is unlikely that the plan will result in the manufacturer earning sufficient credits to offset the subject credit shortfall. If the plan is approved, NHTSA will revise the respective manufacturer's credit account accordingly. If the plan is rejected, NHTSA will notify the respective manufacturer and request a revised plan or payment of the appropriate fine.

(e) Reporting. (1) NHTSA periodically publishes the names and credit holdings of all credit holders. NHTSA does not publish individual transactions, nor respond to individual requests for updated balances from any party other than the account holder.

(2) NHTSA issues an annual credit status letter to each party that is a credit holder at that time. The letter to a credit holder includes a credit accounting record that identifies the credit status of the credit holder including any activity (earned, expired, transferred, traded, carry-forward and carry-back credit transactions/allocations) that took place during the identified activity period.

§ 536.6 Treatment of credits earned prior to model year 2011.

(a) Credits earned in a compliance category before model year 2008 may be applied by the manufacturer that earned them to carryback plans for that compliance category approved up to three model years prior to the year in which the credits were earned, or may be applied to compliance in that compliance category for up to three model years after the year in which the credits were earned.

(b) Credits earned in a compliance category during and after model year 2008 may be applied by the manufacturer that earned them to carryback plans for that compliance category approved up to three years prior to the year in which the credits were earned, or may be held or applied for up to five model years after the year in which the credits were earned.

(c) Credits earned in a compliance category prior to model year 2011 may not be transferred or traded.

§ 536.7 Treatment of carryback credits.

(a) Carryback credits earned in a compliance category in any model year may be used in carryback plans approved by NHTSA, pursuant to 49 U.S.C. 32903(b), for up to three model years prior to the year in which the credit was earned.

(b) For purposes of this part, NHTSA will treat the use of future credits for compliance, as through a carryback plan, as a deferral of penalties for non-compliance with an applicable fuel economy standard.

(c) If NHTSA receives and approves a manufacturer's carryback plan to earn future credits within the following three model years in order to comply with current regulatory obligations, NHTSA will defer levying fines for non-compliance until the date(s) when the manufacturer's approved plan indicates that credits will be earned or acquired to achieve compliance, and upon receiving confirmed CAFE data from EPA. If the manufacturer fails to acquire or earn sufficient credits by the plan dates, NHTSA will initiate compliance proceedings.

(d) In the event that NHTSA fails to receive or approve a plan for a non-compliant manufacturer, NHTSA will

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levy fines pursuant to statute. If within three years, the non-compliant manufacturer earns or acquires additional credits to reduce or eliminate the non-compliance, NHTSA will reduce any fines owed, or repay fines to the extent that credits received reduce the non-compliance.

(e) No credits from any source (earned, transferred and/or traded) will be accepted in lieu of compliance if those credits are not identified as originating within one of the three model years after the model year of the confirmed shortfall.

§ 536.8 Conditions for trading of credits.

(a) *Trading of credits.* If a credit holder wishes to trade credits to another party, the current credit holder and the receiving party must jointly issue an instruction to NHTSA, identifying the quantity, vintage, compliance category, and originator of the credits to be traded. If the recipient is not a current account holder, the recipient must provide sufficient information for NHTSA to establish an account for the recipient. Once an account has been established or identified for the recipient, NHTSA completes the trade by debiting the transferor's account and crediting the recipient's account. NHTSA will track the quantity, vintage, compliance category, and originator of all credits held or traded by all account-holders.

(b) *Trading between and within compliance categories.* For credits earned in model year 2011 or thereafter, and used to satisfy compliance obligations for model year 2011 or thereafter:

(1) Manufacturers may use credits originally earned by another manufacturer in a particular compliance category to satisfy compliance obligations within the same compliance category.

(2) Once a manufacturer acquires by trade credits originally earned by another manufacturer in a particular compliance category, the manufacturer may transfer the credits to satisfy its compliance obligations in a different compliance category, but only to the extent that the CAFE increase attributable to the transferred credits does not exceed the limits in 49 U.S.C. 32903(g)(3). For any compliance cat-

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egory, the sum of a manufacturer's transferred credits earned by that manufacturer and transferred credits obtained by that manufacturer through trade must not exceed that limit.

(c) *Changes in corporate ownership and control.* Manufacturers must inform NHTSA of corporate relationship changes to ensure that credit accounts are identified correctly and credits are assigned and allocated properly.

(1) In general, if two manufacturers merge in any way, they must inform NHTSA how they plan to merge their credit accounts. NHTSA will subsequently assess corporate fuel economy and compliance status of the merged fleet instead of the original separate fleets.

(2) If a manufacturer divides or divests itself of a portion of its automobile manufacturing business, it must inform NHTSA how it plans to divide the manufacturer's credit holdings into two or more accounts. NHTSA will subsequently distribute holdings as directed by the manufacturer, subject to provision for reasonably anticipated compliance obligations.

(3) If a manufacturer is a successor to another manufacturer's business, it must inform NHTSA how it plans to allocate credits and resolve liabilities per part 534 of this chapter.

(d) *No short or forward sales.* NHTSA will not honor any instructions to trade or transfer more credits than are currently held in any account. NHTSA will not honor instructions to trade or transfer credits from any future vintage (*i.e.*, credits not yet earned). NHTSA will not participate in or facilitate contingent trades.

(e) *Cancellation of credits.* A credit holder may instruct NHTSA to cancel its currently held credits, specifying the originating manufacturer, vintage, and compliance category of the credits to be cancelled. These credits will be permanently null and void; NHTSA will remove the specific credits from the credit holder's account, and will not reissue them to any other party.

(f) *Errors or fraud in earning credits.* If NHTSA determines that a manufacturer has been credited, through error or fraud, with earning credits, NHTSA will cancel those credits if possible. If the manufacturer credited with having

earned those credits has already traded them when the error or fraud is discovered, NHTSA will hold the receiving manufacturer responsible for returning the same or equivalent credits to NHTSA for cancellation.

(g) *Error or fraud in trading.* In general, all trades are final and irrevocable once executed, and may only be reversed by a new, mutually-agreed transaction. If NHTSA executes an erroneous instruction to trade credits from one holder to another through error or fraud, NHTSA will reverse the transaction if possible. If those credits have been traded away, the recipient holder is responsible for obtaining the same or equivalent credits for return to the previous holder.

§ 536.9 Use of credits with regard to the domestically manufactured passenger automobile minimum standard.

(a) Each manufacturer is responsible for compliance with both the minimum standard and the attribute-based standard set out in the chapter.

(b) In any particular model year, the domestically manufactured passenger automobile compliance category credit excess or shortfall is determined by comparing the actual CAFE value against either the required standard value or the minimum standard value, whichever is larger.

(c) Transferred or traded credits may not be used, pursuant to 49 U.S.C. 32903(g)(4) and (f)(2), to meet the domestically manufactured passenger automobile minimum standard specified in 49 U.S.C. 32902(b)(4) and in 49 CFR 531.5(d).

(d) If a manufacturer's average fuel economy level for domestically manufactured passenger automobiles is lower than the attribute-based standard, but higher than the minimum standard, then the manufacturer may achieve compliance with the attribute-based standard by applying credits.

(e) If a manufacturer's average fuel economy level for domestically manufactured passenger automobiles is lower than the minimum standard, then the difference between the minimum standard and the manufacturer's actual fuel economy level may only be relieved by the use of credits earned by

that manufacturer within the domestic passenger car compliance category which have not been transferred or traded. If the manufacturer does not have available earned credits to offset a credit shortage below the minimum standard then the manufacturer can submit a carry-back plan that indicates sufficient future credits will be earned in its domestic passenger car compliance category or will be subject to penalties.

§ 536.10 Treatment of dual-fuel and alternative fuel vehicles—consistency with 49 CFR part 538.

(a) Statutory alternative fuel and dual-fuel vehicle fuel economy calculations are treated as a change in the underlying fuel economy of the vehicle for purposes of this part, not as a credit that may be transferred or traded. Improvements in alternative fuel or dual fuel vehicle fuel economy as calculated pursuant to 49 U.S.C. 32905 and limited by 49 U.S.C. 32906 are therefore attributable only to the particular compliance category and model year to which the alternative or dual-fuel vehicle belongs.

(b) If a manufacturer's calculated fuel economy for a particular compliance category, including any statutorily-required calculations for alternative fuel and dual fuel vehicles, is higher or lower than the applicable fuel economy standard, manufacturers will earn credits or must apply credits or pay civil penalties equal to the difference between the calculated fuel economy level in that compliance category and the applicable standard. Credits earned are the same as any other credits, and may be held, transferred, or traded by the manufacturer subject to the limitations of the statute and this part.

(c) For model years up to and including MY 2019, if a manufacturer builds enough dual fuel vehicles (except plug-in hybrid electric vehicles) to improve the calculated fuel economy in a particular compliance category by more than the limits set forth in 49 U.S.C. 32906(a), the improvement in fuel economy for compliance purposes is restricted to the statutory limit. Manufacturers may not earn credits nor reduce the application of credits or fines

for calculated improvements in fuel economy based on dual fuel vehicles beyond the statutory limit.

(d) For model years 2020 and beyond, a manufacturer must calculate the fuel economy of dual fueled vehicles in accordance with 40 CFR 600.510–12(c).

PART 537—AUTOMOTIVE FUEL ECONOMY REPORTS

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AUTHORITY: 49 U.S.C. 32907; delegation of authority at 49 CFR 1.95.

SOURCE: 87 FR 26087, May 2, 2022, unless otherwise noted.

§ 537.1 Scope.

This part establishes requirements for automobile manufacturers to submit reports to the National Highway Traffic Safety Administration regarding their efforts to improve automotive fuel economy.

§ 537.2 Purpose.

The purpose of this part is to obtain information to aid the National Highway Traffic Safety Administration in evaluating automobile manufacturers' plans for complying with average fuel economy standards and in preparing an annual review of the average fuel economy standards.

[89 FR 52953, June 24, 2024]

§ 537.3 Applicability.

This part applies to automobile manufacturers, except for manufacturers subject to an alternate fuel economy standard under 49 U.S.C. 32902(d).

[89 FR 52953, June 24, 2024]

§ 537.4 Definitions.

(a) *Statutory terms.* (1) The terms *average fuel economy standard*, *fuel*, *manufacture*, and *model year* are used as defined in 49 U.S.C. 32901.

(2) The term *manufacturer* is used as defined in 49 U.S.C. 32901 and in accordance with part 529 of this chapter.

(3) The terms *average fuel economy*, *fuel economy*, and *model type* are used as defined in subpart A of 40 CFR part 600.

(4) The terms *automobile*, *automobile capable of off-highway operation*, and *passenger automobile* are used as defined in 49 U.S.C. 32901 and in accordance with the determinations in part 523 of this chapter.

(b) *Other terms.* (1) The term *loaded vehicle weight* is used as defined in subpart A of 40 CFR part 86.

(2) The terms *axle ratio*, *base level*, *body style*, *car line*, *combined fuel economy*, *engine code*, *equivalent test weight*, *gross vehicle weight*, *inertia weight*, *transmission class*, and *vehicle configuration* are used as defined in subpart A of 40 CFR part 600.

(3) The term *light truck* is used as defined in part 523 of this chapter and in accordance with determinations in that part.

(4) The terms *approach angle*, *axle clearance*, *brakeover angle*, *cargo carrying volume*, *departure angle*, *passenger carrying volume*, *running clearance*, and *temporary living quarters* are used as defined in part 523 of this chapter.

(5) The term *incomplete automobile manufacturer* is used as defined in part 529 of this chapter.

(6) As used in this part, unless otherwise required by the context:

(i) *Administrator* means the Administrator of the National Highway Traffic Safety Administration or the Administrator's delegate.

(ii) *Current model year* means:

(A) In the case of a pre-model year report, the full model year immediately following the period during which that report is required by § 537.5(b) to be submitted.

(B) In the case of a mid-model year report, the model year during which that report is required by § 537.5(b) to be submitted.

(iii) *Average* means a production-weighted harmonic average.