

# America Is Scrapping Green Restrictions on Cars. It'll Leave Europe in the Dust

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The EPA's proposal would eliminate federal greenhouse gas standards for a vast swathe of the transportation sector. Karl Hendon / Getty Images

## KEY TAKEAWAYS

The U.S. Environmental Protection Agency (EPA) has proposed to rescind greenhouse gas emissions standards for vehicles under the Clean Air Act.

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In a move that has sent shockwaves through the environmental policy world, the U.S. Environmental Protection Agency (EPA) has proposed to rescind greenhouse gas emissions standards for vehicles under the Clean Air Act. This is not merely a regulatory rollback, but a fundamental rethinking of the legal and scientific basis for environmental regulation in America.

An accompanying climate assessment report from the U.S. Department of Energy provides the scientific rationale for the rollback. It will make for uncomfortable reading for those who think that green policy should be based on ideology rather than a clear-headed assessment of the facts, but it is a vital document for bringing clarity to a subject often clouded by dogma.

“Climate change is real, and it deserves attention,” writes the Energy Secretary, Chris Wright, in the foreword. “But it is not the greatest threat facing humanity. That distinction belongs to global energy poverty.” Indeed, the report concludes that “there is evidence that scenarios widely-used in the impacts literature have overstated observed and likely future emission trends”, and that projections of future warming had been “exaggerated”. It also finds that “excessively aggressive mitigation policies could prove more detrimental than beneficial” in economic terms.

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The implications are profound. If adopted, the EPA’s proposal would eliminate federal greenhouse gas standards for a vast swathe of the transportation sector, which is responsible for 28 per cent of America’s total greenhouse gas emissions. For years, transport has been the linchpin of green regulation. If the justification for regulating greenhouse gases from vehicles collapses, the rationale for regulating other sectors, such as power plants, becomes even weaker.

It would also create an acute dilemma for the UK and the EU. If America repeals greenhouse gas standards for cars, Europe’s transport system will become markedly more expensive and at a competitive disadvantage. While consumers in the UK and EU continue to endure electric vehicle mandates and ultra-low emissions zones, American families would be free to drive the vehicle best-suited to their needs.

The move is far more significant than just a change to vehicle emissions standards, however. It’s a direct challenge to the fundamental legal justification for much environmental policy in the U.S.: the so-called “Endangerment Finding.” This stemmed from a 2007 Supreme Court ruling, which interpreted the Clean Air Act as giving the EPA the authority to regulate greenhouse gases if the agency judged that those gases endangered the public. In 2009, the EPA concluded that CO<sub>2</sub> indeed endangered public health, triggering an avalanche of new regulations.

The EPA is now arguing in its proposed rule that the 1970 Clean Air Act “does not authorize the EPA to prescribe emission standards to address global climate change concerns;” that “the EPA unreasonably analyzed the scientific record and because developments cast significant doubt on the reliability of the findings;” and that “no requisite technology for vehicle and engine emission control can address the global climate change concerns identified in the findings without risking greater harms to public health and welfare.”

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The EPA's new approach is based on recent Supreme Court rulings, notably *West Virginia v EPA* and *Loper Bright*, which have emphasized the need for clear congressional mandates for green regulations. The Clean Air Act was never designed to regulate carbon dioxide. Yet in *Massachusetts v EPA*, the Supreme Court shoehorned CO<sub>2</sub> into the definition of a "pollutant". The EPA is now questioning whether that decision should continue to serve as the foundation for sweeping climate regulation.

As the Energy Secretary has also made clear, this is not climate denialism. It is climate realism. The EPA's proposal is grounded in a sober assessment of the science, as well as rational examination of the costs of green regulation relative to the potential advantages.

Indeed, it cannot be ignored that moderate warming may bring some tangible benefits, such as fewer cold-related deaths, longer growing seasons, and improved agricultural yields. The social cost of carbon, a metric often used to justify costly regulations, is built on speculative assumptions and fails as a serious policy tool. And what of the climate effect of rescinding these vehicle emissions standards? It is likely to be negligible in global terms.

Greenhouse gas standards raise the cost of transport and vehicles, hitting families and businesses alike. The EPA will take public comments for 45 days after the proposal is published in the Federal Register. It deserves a fair hearing and support from those who believe that environmental policy should be rooted in law, science, and realism, not in ideology.

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