October 15, 2019

MY 2011-2019 Industry CAFE Compliance

NHTSA is releasing this report to provide an update on the state of industry compliance with CAFE standards. This report quantifies the annual total of surplus credits for automotive manufacturers who exceeded CAFE standards, and credit shortfalls for automotive manufacturers who did not meet CAFE standards. The report also shows how manufacturers used credits or paid civil penalties to resolve these shortfalls. A manufacturer generates credit surpluses or shortfalls for every 1/10 mpg its CAFE fleet performance value exceeds or falls below, respectively, the required CAFE fleet standard multiplied by the total volume of the vehicles produced by the manufacturer in a compliance category[1] each model year. As prescribed by Congress, credit surpluses can be carried forward and/or backwards from subsequent or future model years or transferred across a compliance category or traded from other compliant manufacturers to resolve compliance shortfalls.[2] Each earned credit has a limited period in which it can be carried forward or back to satisfy a shortfall. For MY 2008 and newer fleets, credits may only be applied to the three model years immediately before and five model years immediately after the model year in which the credits were earned.[3] However, a manufacturer may not keep unused credits indefinitely. The credit expiry date is "the model year after which fuel economy credits may no longer be used to achieve compliance with fuel economy regulations."[4] As credits reach their expiry date, they are deleted from a credit holder's account.[5]

In accordance with 49 USC §§ 32903(f)(2), (g)(4) and 49 CFR § 536.9, manufacturers must also meet the minimum domestic passenger car standard. Manufacturers falling below the minimum domestic passenger car standard can resolve their shortfalls by using only earned surplus credits, or by paying civil penalties. They cannot acquire credits from other manufacturers or transfer credits from their other fleets.

This report supplements compliance data provided on NHTSA's public information center (PIC) website, including the "Projected Fuel Economy Performance Report," "Manufacturer Performance Report," and the "Credit Status Report." Similar to other PIC reports, the actual data contained in this report is based upon EPA final-verified model year information for model years 2011 to 2017.[6] For model years 2018 and 2019, the data is based on projected information received in manufacturers 2018 mid-model year (and final-model year (FMY) where available required by 40 CFR § 600.512-12) and 2019 mid-model year reports required by 49 CFR Part 537. The data from these sources has not been verified by EPA or NHTSA. NHTSA is making manufacturers' projected data available to the public to ensure transparency of the CAFE program. However, NHTSA only uses EPA verified final model year data to evaluate manufacturers' final compliance. Projected data may be inaccurate due to the mixture of vehicles

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[1] Congress created three compliance categories, or fleets, each with separate CAFE standards consisting of all the domestic and import passenger cars and light trucks produced by the manufacturer in a given model year.
[2] 49 USC § 32903(a) (Dec. 20, 2007); 49 CFR Part 536.
[3] Id. § 536.6(b).
[4] Id. § 536.3.
[5] Id. § 536.5(c)(2).
[6] EPA verifies manufacturers' final reports in accordance with 40 CFR § 600.512-12 and sends the data to NHTSA.

actually produced throughout the model year, which can cause differences between the final and the projected model year data in the FMY and MMY reports.

The table provides the annual total credit shortfalls for the applicable model years. Credit shortfalls are also presented in terms of the equivalent dollar amounts owed to the Department of Treasury for each shortfall prior to the use of any surplus credits.[7] The total civil penalties received represents the actual amounts manufacturers paid after resolving some part of their credit shortfalls using surplus credits. The total surplus credits used to offset manufacturers' credit shortfalls are shown in the table as a percentage of the total shortfalls. The earned credits in the table represent the total number of surplus credits manufacturers earned each model year for over-complying with CAFE standards. The remaining credits represents those earned credits for each model year, which are unused and available for resolving future shortfalls. Model years 2018 and 2019 earned and remaining credits are based upon projected data but show similar trends to the actual compliance results for subsequent model years. Finally, the last two columns represent the number of manufacturers' fleets that either earned a credit surplus or had a credit shortfall.

For any questions concerning this report, please direct your inquiries by email to the NHTSA CAFE Enforcement team at CAFE@dot.gov.

[7] Manufacturers are obligated by 49 USC § 32912 to pay civil penalties equal to $5.50 for each credit unit of a shortfall not offset by surplus credits.

MY 2011-2019 Credit Shortfall Resolution by Compliance Category[12,13]

Model Year	Fleet	Total Shortfall (in Credit Units)	Total Shortfall (in Equivalent Dollars)	Total MY Civil Penalties	% of Shortfall Resolved by Credits	Surplus Credits Earned	Remaining Credit Balance[8]	# of OEM Fleets with Credit Shortfalls	# OEM Fleets with Credit Surplus
2011	DP	0	$0.00	$0.00	NA	110,701,339	0	0	7
	IP	9,270,751	$50,989,130.50	$6,209,236.00	87.82%	121,570,554	0	9	10
	LT	10,423,294	$57,328,117.00	$33,804,034.00	41.03%	35,374,439	0	9	9
	Total	19,694,045	$108,317,247.50	$40,013,270.00	63.06%	267,646,332	0	18	26
2012	DP	3,754,905	$20,651,977.50	$0.00	100.00%	127,047,828	55,329,735	1	7
	IP	11,582,588	$63,704,234.00	$4,609,000.00	92.77%	121,809,834	104,476,046	9	11
	LT	25,696,309	$141,329,699.50	$10,353,381.50	92.67%	12,993,693	1,101,662	9	8
	Total	41,033,802	$225,685,911.00	$14,962,381.50	93.37%	261,851,355	160,907,443	19	26
2013	DP	652,065	$3,586,357.50	$0.00	100.00%	210,519,100	189,467,829	1	7
	IP	8,768,336	$48,225,848.00	$4,627,920.00	90.40%	146,424,787	144,067,453	9	11
	LT	26,416,586	$145,291,223.00	$14,409,043.00	90.08%	20,286,122	15,455,459	9	8
	Total	35,836,987	$197,103,428.50	$19,036,963.00	90.34%	377,230,009	348,990,741	19	26
2014	DP	9,731,888	$53,525,384.00	$0.00	100.00%	190,916,805	163,334,371	1	8
	IP	12,145,492	$66,800,206.00	$1,454,288.00	97.82%	110,769,354	108,350,983	9	9
	LT	24,701,573	$135,858,651.50	$835,499.50	99.39%	45,402,612	26,031,366	8	8
	Total	46,578,953	$256,184,241.50	$2,289,787.50	99.11%	347,088,771	297,716,720	18	25
2015	DP	16,250,138	$89,375,759.00	$0.00	100.00%	203,696,206	186,232,341	2	8
	IP	16,244,793	$89,346,361.50	$0.00	100.00%	88,784,190	104,879,885	9	8
	LT	50,803,083	$279,416,956.50	$0.00	100.00%	43,908,516	42,981,684	8	6
	Total	83,298,014	$458,139,077.00	$0.00	100.00%	336,388,912	334,093,910	19	22
2016	DP	41,662,089	$229,141,489.50	$77,268,720.50	66.28%	210,540,604	210,540,605	3	6
	IP	26,844,831	$147,646,570.50	$0.00	100.00%	63,508,547	58,349,668	10	6
	LT	115,213,849	$633,676,169.50	$0.00	100.00%	27,256,525	25,226,096	10	4
	Total	183,720,769	$1,010,464,229.50	$77,268,720.50[9]	92.35%	301,305,676	294,116,369	23	16
2017	DP	42,449,107	$233,470,088.50	$79,376,643.50	66.00%	295,671,298	253,222,191	5	4
	IP	39,276,033	$216,018,181.50	Pending	Pending	54,412,050	15,299,467	9	8
	LT	84,990,723	$467,448,976.50	Pending	Pending	34,062,146	-51,871,677	11	5
	Total	166,715,863	$916,937,246.50	$79,376,643.50[10]	91.57%	384,145,494	216,649,981	25	17
2018 (Projected)	DP	46,325,768	$254,791,724.00	Pending	Pending	769,975,585	Pending	5	4
	IP	74,697,743	$410,837,586.50	Pending	Pending	46,932,588	Pending	11	5
	LT	85,054,777	$467,801,273.50	Pending	Pending	41,568,299	Pending	10	5
	Total	206,078,288	$1,133,430,584.00	Pending	Pending	858,476,472[11]	Pending	27	14
2019 (Projected)	DP	79,213,596	$435,674,778.00	Pending	Pending	926,229,771	Pending	5	4
	IP	85,786,806	$471,827,433.00	Pending	Pending	9,034,960	Pending	15	1
	LT	123,474,095	$679,107,522.50	Pending	Pending	33,573,645	Pending	12	5
	Total	288,474,497	$1,586,609,733.50	Pending	Pending	968,838,376	Pending	32	10

[8] This is the current balance of credits in each manufacturer's bank, which could include both earned and traded (unadjusted) credits. NHTSA notified manufacturers in annual credit status letters for MY 2017 that unused MY 2011 credits had expired.

[9] One manufacturer paid civil penalties for MY 2016 for failing to exceed or meet the minimum domestic passenger car standard.

[10] Two manufacturers failed to meet the MY 2017 minimum domestic passenger car standard. One manufacturer has sufficient earned credits from previous model years to avoid a civil penalty payment.

[11] For model year 2018, one manufacturer projected it would earn 725,200,000 credits—several times larger than any surplus credits generated in any previous model year by any manufacturer.

[12] The information is based upon 2017 EPA final reports except Nissan (LT), Volvo (IP, LT), Lotus (IP), McLaren (IP), and Pagani (IP) whose reports are still pending from EPA. OVSC has yet to send out final compliance letters, as a result, no civil penalties or credit surpluses have been applied by manufacturers to resolve the shortfalls for model year 2017.

[13] The aggregated remaining credits cannot be applied to aggregated shortfalls on a one-to-one basis because of adjustment factors and the minimum domestic passenger car standard as required by 49 CFR Part 531 and 536.