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What They're Saying: No Fleet Turnover, No Environmental Progress

Experts warn clean air goals won't be achieved unless EPA truck emissions rule promotes

fleet turnover

CHICAGO, IL – A chorus of industry leaders have raised concerns that a new heavy truck tailpipe emissions rulemaking underway by the U.S. Environmental Protection Agency (EPA) must promote the sale of new trucks to get older, higher-emitting engines off the road and achieve the intended environmental objectives. EPA is proposing two regulatory approaches, "Option 1" and "Option 2." *Read a one-page summary of the rulemaking here*.

In public comments submitted to EPA, associations representing the nation's trucking fleets, truck dealers, small businesses, and farmers have expressed fear that the <u>excessive per-truck costs</u> associated with the overly-stringent Option 1 would compel truck owners to maintain their older trucks longer, delaying the cleanest technologies from hitting the road and delivering the anticipated environmental benefits. In fact, <u>research shows</u> that harmful emissions could decrease as much as 35% under Option 2, compared to Option 1 – which would increase emissions because of delayed fleet turnover.

In <u>testimony before EPA</u>, Truck and Engine Manufacturers Association (EMA) President Jed Mandel noted that Option 1 would "not only delay EPA's anticipated environmental benefits, it also would cause environmental backsliding which would be especially harmful to disadvantaged communities (and which would undermine environmental justice goals that we support)."

Here's what others are saying about the proposed rule's potential effect on fleet turnover:

- "An unworkable rule will delay fleet turnover and impede environmental progress. Fleets don't make trucks -- they are consumers that buy trucks. While this rule is directed at manufacturers, it is trucking companies buying new technologies that determine the success or failure in the implementation of every trucking emission regulation. Fleets remain extremely sensitive to the many difficulties involved in running a trucking company a matter that is especially significant to the 97 percent of fleets classified as small businesses."
 - Alabama, Arizona, Florida, Idaho, Illinois, Maryland, Mississippi, Missouri, New York, Nevada, Rhode Island, and Wyoming Trucking Associations
- EPA must only adopt new [heavy-duty engine] emission standards that will enhance (and not delay) fleet turnover. If EPA instead moves too far, too fast, as the California Air Resources Board (CARB) and other states have done, the cost of new [commercial motor vehicles] will increase dramatically even as their performance

degrades, resulting in a decline in the otherwise applicable rate of fleet turnover and environmental improvement." – American Truck Dealers

- "While air quality is of upmost importance to New York farmers, there are several
 concerns with the proposed rule. This rule has the potential to delay the turnover to
 newer vehicles with cleaner emission technologies, forcing vehicle owners to keep
 their higher-emitting trucks longer and not update to model year (MY) 2027 in heavyduty vehicles." New York Farm Bureau
- "Increasing the cost of new diesel trucks by a significant amount will lead to customers opting into longer lease contracts, or in many cases, opting to renew their current vehicle lease instead of leasing a newer, more environmentally friendly truck. Longer lease terms and renewals of current leases will significantly slow the velocity of new trucks entering the marketplace once these new rules go into effect." Truck Renting and Leasing Association (TRALA)
- EPA's new rule will prohibit the sale of new trucks built after the effective date
 unless they comply with all the associated regulatory requirements. Fleet owners
 must determine if it makes business-sense to invest their limited capital in purchasing
 expensive trucks built to the new rule, or if it would be more prudent to invest in
 maintaining their existing trucks longer.

EPA's Option 1 proposal would compel commercial truck owners and operators – most of whom are <u>small businesses</u> operating with slim margins – to keep older, higher-emitting vehicles on the road longer, substantially delaying fleet turnover and the intended environmental objectives. However, if EPA carefully crafts the final rule to ensure that new trucks will be cost-effective for fleet owners to purchase, the environmental objectives are more likely to be achieved. <u>Experts have concluded</u> that EPA's Option 2 proposal could serve as the foundation of an effective and successful heavy truck emissions reduction program.

To learn more about EPA's rulemaking, view the latest research and industry insights, and sign up for updates on the rulemaking process, visit www.cleantruckfacts.org.

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The Truck and Engine Manufacturers Association (EMA) represents the world's leading manufacturers of medium- and heavy-duty commercial vehicles, internal combustion engines, and zero-emission powertrains. EMA works with governments and other stakeholders to help the nation achieve its goals of cleaner air and lower greenhouse gas emissions, and to ensure that regulatory standards are technology feasible, cost effective, and successful. By continually improving commercial vehicle and powertrain technologies, EMA's members are in the forefront of providing clean and efficient products that meet their customers' business needs and protect the environment.