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CONTACT press@emamail.org

What They're Saying: High Costs a Major Concern with EPA Truck Emissions Rule In public comments, stakeholders caution EPA on consequences of a cost-prohibitive rule

CHICAGO, IL – In dozens of public comments submitted by leaders in the freight shipping, transportation, retail, and agriculture industries, stakeholders express serious concerns about the high costs associated with the overly-aggressive heavy vehicle <u>emissions rule</u> proposed by the U.S. Environmental Protection Agency (EPA).

In an effort to further reduce tailpipe emissions, a goal supported by the nation's truck and engine manufacturers, EPA has proposed two potential regulatory pathways ("Option 1" and "Option 2"), the first of which many fear will slow the sale of new vehicles, further strain on the nation's small businesses, and increase emissions

Experts at Ricardo and the National Renewable Energy Laboratory (NREL) found significantly higher per vehicle incremental costs resulting from Option 1 than previously estimated by EPA. They predict the per vehicle incremental costs will exceed \$31,000, with additional in-use operational costs of over \$10,000. The net result is that EPA's proposal, as it stands, is not based on sound assumptions and is not cost effective. See a <u>breakdown</u> of the estimated cost impacts of both proposed rule pathways.

Here's what others are saying about the cost-prohibitive nature of Option 1:

- "Commercial motor vehicles (CMVs) equipped with heavy duty engines subject to new NOX emission reduction mandates must be affordable to buy or lease, must be cost effective to operate, and must offer acceptable levels of reliability (i.e., uptime) ... [A study conducted in-house by ATD] found EPA [previously] underestimated control strategy and technology compliance costs by a factor of 2-5, resulting in dramatically higher prices for new CMVs. It also found that EPA's mandates resulted in significantly higher operating costs, due to increased maintenance requirements, reduced reliability, and lower fuel economy." American Truck Dealers
- "EPA has failed to provide sufficient study or data concerning the safety, operational and cost implications of its proposed rules on the bus industry, which has been economically devastated by the COVID pandemic and which can scarcely afford any regulations that will significantly increase the cost of new buses and possibly impose a significant weight issue that could make bus travel less efficient." Coach USA
- "There is an enormous disparity approximately an order of magnitude between EPA's compliance cost estimates and those projected by engine manufacturers, which are forecast to be up to \$35,000 per truck. If EPA's cost estimates are too low, then other key factors influencing the proposal will be affected in turn." New York Farm Bureau

- "These costs cannot simply be absorbed by TRALA members, and a requirement for a 90% reduction in NOx will ultimately result in higher lease payments for TRALA customers." – <u>Truck Renting and Leasing Association (TRALA)</u>
- "On average, OOIDA members have stated that emissions and environmental equipment represented approximately \$5,700 of their annual maintenance costs. 53% of OOIDA members indicated they did not get a return on investment for installing and using environmental/emissions technologies such as exhaust gas recirculation (EGR) / selective catalytic reduction (SCR) systems and diesel particulate filters (DPF) for small carriers operating on the slimmest of margins, these costs can be a major deterrent to purchasing newer, cleaner trucks." Owner-Operator Independent Drivers Association

The commercial vehicles impacted by this rulemaking are responsible for carrying <u>nearly all the goods</u> consumed in the United States — and they are also the waste and recycling trucks, school and city transit buses, concrete mixers, electrical utility vehicles, and food and package delivery trucks that serve our communities each and every day. Increases in the cost of doing business due to a misguided rule will have significant effects on a wide array of industries, and, as costs increase, fleet owners will not be able to afford newer, cleaner trucks and will be compelled to hold on to their older, higher-emitting vehicles longer, <u>slowing progress towards shared clean air goals</u>. The stakes could not be higher. EPA must look to Option 2 to provide a foundation for a cost-effective and workable final rule.

To learn more about the rulemaking, read the latest research and insights from industry leaders, 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.