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By the Numbers: Unintended Consequences of EPA's Proposed Truck Emissions Rule

The U.S. Environmental Protection Agency (EPA) has proposed a new rule to further reduce nitrogen oxide (NO_X) emissions from medium- and heavy-duty trucks. This proposal has raised concerns from stakeholders about harmful unintended consequences for the economy, jobs, and the environment.

As Truck and Engine Manufacturers Association (EMA) President Jed Mandel recently <u>testified</u>, EPA's proposed rule will inhibit fleet turnover, the critically important process by which older trucks are replaced with newer, low-emitting vehicles as fleet operators purchase new trucks. Market disruptions caused by an unworkable rule will delay environmental benefits, cause job losses, and slow the transition to zero-emission vehicles.

Here's a look at the numbers behind EPA's overly stringent proposed rule:

- **4.5 million:** With more than <u>4.5 million</u> medium- and heavy-duty trucks on the road today delivering <u>72%</u> of the goods, services, and freight that consumers depend on every day, EPA's final rule would have a sweeping impact on the nation's economy.
- 98%: Almost all (98%) of U.S. fleet owners are small businesses operating fleets with 20 or fewer commercial vehicles. Nine out of ten of these fleets (91%) operate 6 or fewer trucks.
- 11.6%: Research from <u>Ramboll Group</u> shows NO_X emissions could actually *increase* by as much as 11.6% under EPA's more stringent rule because of delayed fleet turnover and older, higher-emitting trucks staying on the road longer.
- \$42,000: Contrary to EPA's claims that per-unit truck cost increases will be minor, analysis from Ricardo Strategic Consulting found the per-unit cost increase for heavy-duty diesel engines could exceed \$42,000, including increased operating costs, making it unlikely that fleet owners will be able to afford to purchase the new trucks. An earlier cost study that the California Air Resources Board commissioned from the National Renewable Energy Laboratory (NREL) reached similar conclusions.
- 221,000: <u>ACT research</u> found that, under one scenario, as many as 221,000 good-paying jobs in the truck and engine manufacturing industries could be at risk if EPA pursues a poorly designed rule such as the one it has proposed.

EPA has also proposed a separate potential option that is still very stringent, but industry leaders say – with needed modifications – it could form the basis for a workable final rule that would promote fleet turnover and lead to the development of more customer-acceptable and affordable EPA-certified commercial vehicles. Research from Ramboll Group found that a more modest rulemaking effort could result in steeper reductions in NO_X emissions and as a result, offer greater environmental benefits than a more aggressive rule.

EPA has an opportunity to work with stakeholders to develop a single-step, workable final rule that will not only achieve clean air goals, but also provide manufacturers, fleet owners, and businesses nationwide the confidence they need to continue their essential work. As Dan Byers, Vice President, Climate and Technology, U.S. Chamber of Commerce testified, we must work together to "ensure a workable, effective final rule that provides regulatory certainty and is good for both the economy and the environment."

EPA Administrator Michael Regan also echoed this point during a recent hearing before the U.S. Senate Committee on Environment and Public Works, stating, "We want to provide rules for the road and certainty so that we can have our companies making the long-term – 5-year, 10-year, 20-year investments that they are designed to make."

EPA is accepting comments through May 16, 2022, on the rulemaking. <u>Click here</u> to send a message to EPA that it is essential to develop a workable final rule that reduces emissions, protects jobs, and supports the essential industry that is driving our economy.

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The Truck and Engine Manufacturers Association (EMA) represents the world's leading manufacturers of mediumand 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.