



EPA's GHG Phase 3 Rule Will Lead to Significant Negative Impacts on Truck Dealers, Truck Buyers, and the Economy

ISSUE

In April, the Environmental Protection Agency (EPA) finalized its “Greenhouse Gas Emissions Standards for Heavy-Duty Vehicles – Phase 3” rule targeting fleet-wide greenhouse gas (GHG) reductions for model year (MY) 2027-2032 heavy-duty vehicles. This [final rule](#) would force the broad adoption of heavy-duty zero emission vehicles (ZEVs), despite being less than 0.3% of sales last year. An electric truck is up to two to three times more expensive than a comparable diesel vehicle and does not offer comparable performance and range capability.

Additionally, the U.S. lacks a national commercial vehicle charging network which makes customer adoption of heavy-duty ZEVs and their day-to-day use impractical. A [study](#) released by the [Clean Freight Coalition](#) found that full electrification of the U.S. commercial truck fleet would require nearly *\$1 trillion* in infrastructure investment and grid network upgrades to meet demand. The lead times proposed by the EPA do not consider the realities of the commercial ZEV marketplace and would result in unaffordable commercial motor vehicles that do not meet the performance standards needed for purchasers' businesses. **ATD is opposed to EPA's final GHG Phase 3 rule as it will have unprecedented negative impacts on commercial trucking, U.S. businesses, and consumers.**

BACKGROUND

EPA's final rule would require manufacturers to convert an annually increasing percentage of their total vehicle sales to ZEVs with the projected sales percentages by MY 2032 for the following categories of vehicle: 60% of ZEVs for light-heavy vocational vehicles, 40% ZEVs for medium-heavy vocational vehicles, 30% ZEVs for heavy-heavy vocational vehicles, 40% ZEVs for day cab tractors, and 25% ZEVs for sleeper cab tractors.

EPA's upfront vehicle cost differences between diesel and electric utilize overly optimistic assumptions. The EPA estimates that in nine years an electric sleeper cab will cost \$15,000 more than a comparable diesel vehicle. By comparison, the difference between an electric Class 8 truck today and a comparable diesel-powered vehicle is approximately \$220,000. Additionally, the average diesel-powered vehicle has a range of 1,000 to 1,500 miles whereas a heavy-duty ZEV has an estimated range of 150 miles. Lastly, charging infrastructure poses a daunting barrier to widespread heavy-duty ZEV adoption, as it is largely non-existent. While dealers are investing millions of dollars of their own capital in the infrastructure, training, and equipment to sell and service ZEVs, truck buyers are unlikely to buy these vehicles without a reliable public refueling infrastructure designed for commercial ZEVs.

The truck industry is concerned that the ZEV targets are too aggressive and will result in higher prices, job loss, delayed fleet turnover, and reduced customer choice. ATD supports sound policies that increase fuel efficiency and reduce GHGs for America's trucks, but trucks must be affordable and reliable first so those benefits can be realized. FAQs regarding EPA's new rule can be found [here](#), and ATD's public comments regarding the rule can be found [here](#).

KEY POINTS

- **EPA's Phase 3 rule, coupled with the EPA's recently finalized \$39 billion NOx rule, will result in a dramatic “pre-buy” in 2026 and a “no-buy” marketplace in 2027.** When emissions standards are too stringent and rushed, business closures, job losses, and delayed environmental benefits will result.
- **The U.S. lacks the charging infrastructure for the commercial trucking industry.** A Roland Berger [study](#) highlighted the need for \$620 billion solely to build charging infrastructure, with an additional \$370 billion required for utility companies and the government to upgrade distribution grids for commercial vehicle demand alone.
- **EPA rushed this rule and did not sufficiently consider its impact on the economy.** EPA issued this rule without an Advance Notice of Proposed Rulemaking, and a comment period of only 50 days. Congress must also consider this rule's impact on employment, as EPA stated in its regulatory impact analysis that “due to a lack of data, [the agency] is not able to estimate the quantitative employment effect from this rule on heavy-duty manufacturing.”

STATUS

Unlike light duty vehicles, commercial trucks are owned and operated mostly by small businesses that must “pencil out” to be purchased. Electric trucks need to be affordable, reliable and meet the performance needs of the truck buyer. **ATD supports joint resolutions ([H.J.Res. 133/S.J.Res. 74](#)) introduced by Rep. Russ Fulcher (R-Idaho) and Sen. Dan Sullivan (R-Alaska) which would disapprove EPA's de facto ZEV heavy-duty truck mandate.**

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