



July 24, 2024

Dear Representative:

On behalf of the National Automobile Dealers Association (NADA), which represents over 16,000 franchised auto dealerships, and the American Truck Dealers (ATD), which represents over 3,200 franchised truck dealerships, we urge your support for the FY25 House Interior, Environment, and Related Agencies appropriations bill ([H.R. 8998](#)). This legislation includes important language that would temporarily stop the Environmental Protection Agency (EPA) from spending funds to implement, administer, or enforce its de facto EV mandates on light-duty, medium-duty and heavy-duty vehicles in FY25 (Secs. 474 and 475).

Franchised new car and truck dealers have promoted, and will continue to promote, electrification of America's fleet with billions of dollars of their own capital already committed to investments in facilities, training, charging and inventory. Despite the dealers' efforts and investments, however, the EPA's recently finalized rules remain far ahead of consumer demand. As a result, these rules, which Congress did not direct, are not achievable in the time frame provided and would severely limit the ability of consumers and businesses to purchase a new vehicle that meets their budget and transportation needs.

De Facto EV Mandates for Light- and Medium-Duty Vehicles (Support for Sec. 474)

EPA's light-duty rule could effectively require 56% of U.S. light-duty vehicle sales to be electric by 2032. Last year, electric vehicle (EV) sales were only 7.6% of new light-duty sales. Our experience working with consumers every day makes us highly skeptical that consumers will adopt EVs anywhere near the levels required. Although EV demand varies dramatically by market, dealers are seeing significant consumer hesitancy regarding EVs, and new car buyers are not purchasing sufficient EVs for automakers to meet EPA's requirements. Consumers express concerns regarding EV affordability, sufficient and reliable charging infrastructure, and acceptable charging speeds. The EPA's light-duty EV rule would also have a significant negative impact on consumer choice by gradually restricting the sale of gas-powered vehicles to meet EPA's new standards.

De Facto Zero Emission Vehicle (ZEV) Mandate for Heavy-Duty Trucks (Support for Sec. 475)

EPA's heavy-duty 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. The cost difference between an electric Class 8 truck today and a comparable diesel-powered vehicle is approximately \$220,000, and the average diesel-powered vehicle has a range of 1,000 to 1,500 miles while a heavy-duty ZEV has an estimated range of 150 miles. The rule will force the broad adoption of heavy-duty ZEVs despite currently being less than 0.3% of sales last year. Moreover, the impact of partially banning diesel trucks on jobs is unknown, as the 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.” Additionally, a recent report by Ryder found that this rule will raise the inflation rate between .5 and 1% due to higher shipping costs. Finally, charging infrastructure poses a daunting barrier to widespread heavy-duty ZEV adoption, as it is largely non-existent.

Conclusion

NADA/ATD urges Congress to pause implementation of these far-reaching rules by passing the FY25 Interior, Environment, and Related Agencies appropriations bill. Unless Congress acts, EPA’s rules will result in a new vehicle market that is unaffordable and does not meet the transportation needs of the average American consumer and business.

Thank you for your consideration.

Sincerely,



Mike Stanton
President and CEO
National Automobile Dealers Association



Laura Perrotta
President
American Truck Dealers