



October 22, 2024

California Air Resources Board (CARB)  
P.O. Box 2815  
Sacramento, CA 95812

Re: Comments on the Proposed Amendments to the  
Advanced Clean Trucks Regulation

Dear Chair Randolph and Members of the Board:

The American Truck Dealers division of the National Automobile Dealers Association (ATD) represents over 3,300 franchised commercial motor vehicle dealers nationwide who sell new and used trucks, tractors and trailers, and engage in service, repair and parts sales. ATD's dealer members are on the front line working with truck owners and operators every day and together we employ more than 144,000 people. Yet most dealerships are small businesses, as defined by the Small Business Administration.

ATD supports and joins in the comments filed by the California New Car Dealers Association (CNCDA) and applauds CARB's consideration of amendments to the Advanced Clean Trucks (ACT) rule designed to improve flexibility within the ACT credit marketplace. Like CNCDA, ATD remains concerned about the broader impacts of the ACT rule and the Omnibus Low-NOx rule on the inventory and allocation of medium- and heavy-duty (MHD) vehicles. In particular, ATD is concerned about inventory and allocation challenges related to state-adoption of ACT under section 177 of the Clean Air Act.

Currently, ten states have adopted the ACT rule under section 177. Although the states that adopt the ACT rule under section 177 will be subject to the same CARB requirements, the rule will take effect in very different conditions in each state, and manufacturers will need to address the different market conditions in every CARB state (as well as the non-CARB states). As manufacturers strive to do so on a state-by-state level, they will be forced to allocate inventory in a way that will restrict diesel products to prioritize compliance at the expense of customer choice, affordability, and fleet turnover. Moreover, as stricter mandates come into effect, allocation issues between CARB and non-CARB states will affect more manufacturers, and the problem of increased cost, lack of commercial charging, and reduced consumer choice will become more widespread. In turn, prospective new MHD vehicle customers, particularly those with limited capital and low profit margins, are more likely to retain their existing vehicles for longer than they otherwise would, or to purchase new or used non-CARB-compliant MHD vehicles from dealers in non-CARB states. Declining sales, limited diesel product availability, lower rates of fleet turnover, and diminished environmental improvement in CARB-compliant states will result.

As CARB considers amending the ACT rule, ATD urges the Board to account for the role California has in setting standards that affect the whole nation, and the difficulty manufacturers will have with meeting the ACT targets on a state-by-state basis to ensure that the proposed amendments will, as intended, improve inventory availability for customers. ATD suggests that CARB may reasonably do so by monitoring the new and used MHD vehicle market in the states that have adopted the ACT rule under section 177, and requiring its staff to provide a report on the market in those states, including a discussion of OEM compliance plans, the availability of CARB-compliant models (as there are product gaps regarding electric models to replace every diesel vehicle at this time), and sales data, during the first quarter of 2025. Collecting and analyzing this data should enable CARB to assess the impact of the ACT rule, as amended, on the 177 states, and determine whether additional amendments, target delays, and adjustments to the rule are warranted to enhance fleet turnover and improve air quality.

On behalf of ATD, I thank CARB for the opportunity to comment on this matter.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'D. Ingber', with a long horizontal line extending to the right.

Daniel E. Ingber  
Senior Vice President, Regulatory Affairs