



ATD Clean Trucks Plan

Introduction

The American Truck Dealers (ATD) has always sought to promote the deployment of cleaner and greener commercial motor vehicles (CMVs) on our nation's roadways. With more than half of the Class 8 CMVs on the road today over 10 years old, replacing them with new CMVs will greatly reduce criteria air pollutants and reduce greenhouse gas (GHG) emissions. Today's advanced engines and clean fuels combine to reduce CMV criteria pollutant emissions by over 95% compared to 1998. In fact, it would take 60 of today's new CMVs to generate the same emissions as just one CMV manufactured in 1988.

The clean air and fuel savings benefits of new regulatory mandates recently proposed by EPA on CMVs can only be realized if the vehicle is deployed. ATD's "Clean Trucks Plan" aims to accelerate fleet turnover by 1) repealing the 12% federal excise tax (FET) on heavy-duty CMVs; and 2) avoiding excessively stringent new regulatory mandates. If new CMVs aren't affordable, they will not be purchased and won't replace older, less efficient vehicles. To promote affordability, Congress should repeal the FET on CMVs, while agencies such as the Environmental Protection Agency (EPA) must avoid imposing cost prohibitive new regulatory mandates.

Repeal Of The FET On Heavy-Duty CMVs

In 1917, [Congress imposed a 12% FET](#) on the retail sale of new CMVs to help pay for World War I. This tax still exists today, routinely adding \$22,000 or more to the price of a new CMV. By repealing the FET, Congress will help to accelerate modernization of the fleet by replacing older technology CMVs with [cleaner and more fuel-efficient](#) vehicles offering the latest, most advanced [safety technologies](#).

EPA's Proposed Heavy-Duty Engine (HDE) and Vehicle Pollution Control Mandates

In March 2022, [EPA proposed](#) a Cleaner Trucks Initiative to update current emission standards for model years 2027 and later, and to increase the stringency of existing Phase 2 GHG mandates. ATD has long supported continuous emission improvements, but to work, new mandates must result in vehicles that are affordable, reliable, and meet the needs of truck buyers. Otherwise, truck owners will continue to hold onto their older, less-efficient and higher-emitting vehicles. When fleet turnover slows, air quality diminishes and tens of thousands of good paying supplier, manufacturer, and dealer jobs that depend on the sale of new CMVs are put at risk.

[ATD is concerned](#) that EPA's proposed standards, including unreasonably longer useful life and emission warranty mandates, will cause CMV prices to skyrocket, resulting in a slowdown in fleet turnover. EPA's proposed "Option 1," which is expected to impose as much as a \$42,000 increase per vehicle, will cause a major "pre-buy/no buy," a significant deferral of new CMV sales, and a surge in late-model used CMV purchases. The result: major job losses, potential businesses closures, and a catastrophic impact on potential air quality improvements. On the other hand, EPA's proposed "Option 2" would keep new CMVs relatively affordable, reliable and viable for the marketplace, resulting in fleet turnover that could achieve dramatic emissions reductions.

Conclusion

ATD dealers are "all-in" on the sale and service of the new technology and alternative fueled CMVs their manufacturers are bringing to market. These include battery-electric, hybrid-electric, fuel-cell electric, and natural gas alternatives to the clean diesel CMVs already on dealer lots. **Congress can play a critical role with respect to the rollout of these state of the art vehicles by repealing the 12% FET on new CMVs. Congress should not let a 12% FET on CMVs combined with an up to \$42,000 regulatory price increase bring new CMV sales to a screeching halt.**