



EPA's Pending NOx Emissions Rule Could Backfire with Major Consequences for Dealers and their Customers

ISSUE

In March 2022, as part of its Clean Trucks Plan, the U.S. Environmental Protection Agency (EPA) issued a [proposed rule](#) entitled, "Control of Air Pollution from New Motor Vehicles: Heavy-Duty Engine and Vehicle Standards." The proposal presents two options to further reduce nitrogen oxide (NOx) emissions from medium- and heavy-duty vehicles for model years (MY) 2027 and later. Continuous emissions improvements are necessary but must be affordable and not degrade commercial motor vehicle (CMV) performance. EPA's "Option 1" proposal would require expensive new technologies that could result in new CMVs that are unaffordable or do not meet the performance standards for purchasers. When new CMVs don't sell, older less environmentally friendly CMVs stay on the road. **The American Truck Dealers (ATD) urges EPA to advance "Option 2" a set of technologically achievable and customer acceptable national heavy-duty engine NOx standards for MY 2027 and later.**

BACKGROUND

EPA's proposal presents "Option 1" and "Option 2" to reduce the remaining 1-2% of tailpipe NOx emissions for 2027 and later CMVs. Option 1 is aimed at a 90% reduction in NOx emissions by 2031. Option 2 is an approach aimed at a 75% reduction in the remaining NOx emissions for 2027 and later.

ATD supports standards for cleaner air and healthier communities, which means turning over the fleet to replace older CMVs with newer, greener ones. However, EPA's Option 1 is an overly ambitious proposal that places this goal at risk, as it will result in significant CMV price increases that could inhibit sales, reduce fleet turnover, and increase the age of the on-road CMV fleet. In fact, EPA's proposal could increase the cost of heavy-duty diesel trucks by some \$42,000, and *increase operating costs*, making new trucks less affordable.

The trucking industry continues to make the deployment of cleaner, greener CMVs a top priority. According to the [Truck & Engine Manufacturers Association](#), however, Option 1 simply is not feasible and could significantly disrupt new CMV sales if adopted by EPA. While OEMs are making huge investments in alternate fuels and electrification, EPA's "Option 1" would inhibit new CMV sales, undermining real-world emissions, reliability and safety improvements.

KEY POINTS

- **EPA's proposed "Option 1" NOx standards could result in a major "pre-buy/no buy," a significant deferral of new CMV sales, and a spike in older used CMV purchases.** As in the past, when emissions standards are too stringent, they can result in major job losses, businesses closures, and a negative impact on potential air quality improvements.
- **EPA's mandate could undermine real-world environmental and safety improvements.** Today's new CMVs are the cleanest they have ever been. Older CMVs will stay on America's roads longer and the deployment of valuable new advanced safety technologies could be delayed.
- **EPA should finalize a workable version of "Option 2" which would keep new CMVs relatively affordable, reliable and viable for the marketplace, resulting in fleet turnover that could achieve dramatic emissions reductions.**

STATUS

On November 17, Sen. Joni Ernst (R-Iowa) and 16 Republican Senators sent a [letter](#) to the EPA urging that the agency adopt "Option 2" and to consider any new CMV GHG mandates in a separate Phase 3 rulemaking. [ATD commented](#) on EPA's proposed rule on May 16. EPA is expected to finalize this \$31 billion rule by the end of 2022.