

September 18, 2024

The Honorable Cathy McMorris Rodgers Chair House Energy and Commerce Committee 2125 Rayburn House Office Building Washington, D.C. 20515 The Honorable Frank Pallone Ranking Member House Energy and Commerce Committee 2322 Rayburn House Office Building Washington, D.C. 20515

Dear Chairwoman McMorris Rodgers and Ranking Member Pallone,

On behalf of the American Truck Dealers (ATD), which represents over 3,300 franchised commercial truck dealers who sell new and used trucks, tractors and trailers, and employ more than 144,000 people nationwide, I am writing in strong support of H.J.Res. 133, a joint resolution to disapprove the Environmental Protection Agency's (EPA) "Greenhouse Gas Emissions Standards for Heavy-Duty Vehicles – Phase 3" rule.

EPA's de facto zero emission vehicle (ZEV) mandate would effectively require truck manufacturers to convert an annually increasing percentage of their total vehicles sales to ZEVs, with the projected sales percentages by model year 2032 being 60% 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. ATD is highly skeptical that customers will adopt ZEVs close to the projected sales percentages by model year 2032. Last year, only 0.3% of commercial vehicles sales were ZEVs.

For heavy-duty ZEVs to operate reliably, a national commercial vehicle charging network is needed. However, a national commercial vehicle charging network does not currently exist, and truck buyers are unlikely to purchase vehicles without a reliable public refueling infrastructure designed for commercial ZEVs. Until a dependable commercial charging network is built, customer adoption of heavy-duty ZEVs and their day-to-day use is impractical. A <u>study</u> 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.

Additionally, the EPA estimated that in nine years an electric medium/heavy-duty vocational vehicle will cost \$15,000 more than a comparable diesel vehicle, which is an overly optimistic assumption between the upfront vehicle cost differences of diesel and electric vehicles. Currently, the average cost for a diesel-powered vehicle is \$180,000 plus the 12% federal excise tax (FET). In comparison, a typical Class 8 electric truck costs roughly \$400,000 plus the 12% FET, or two to three times more than a comparable diesel-powered vehicle.

America's small business truck dealers want to sell trucks that their customers want to buy and those trucks must be affordable and fit their customer's needs. Truck dealers are doing their part by investing millions of dollars to sell and service ZEVs. A de facto ZEV mandate that gradually restricts the sale of diesel trucks and reduces customer choice without an affordable replacement could have unintended consequences for the supply chain and the economy. Moreover, Ryder conducted a <u>study</u> to determine the cost of EV conversion and found that increased costs associated with converting truck fleets could cumulatively add approximately 0.5% to 1.0% to overall inflation.

ATD urges the House Energy and Commerce Committee to pass H.J.Res. 133. Without congressional action, EPA's de facto ZEV mandate will have negative impacts on American commercial trucking, U.S. business, consumers, and the economy. Thank you for your consideration.

Sincerely,

Laura Perrotta President

American Truck Dealers