

Dear Representative,

On behalf of the American Truck Dealers (ATD), a division of the National Automobile Dealers Association (NADA), which represents over 3,200 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. 87, a joint resolution to disapprove the Environmental Protection Agency's (EPA) waiver for California's Advanced Clean Trucks (ACT) rule, and H.J.Res. 89, a joint resolution to disapprove the EPA's waiver for California's Omnibus Low Nitrogen Oxide (NOx) regulation. The House is scheduled to consider this legislation on Wednesday, April 30. <u>Support for H.J.Res. 87/H.J.Res. 89 is a top truck dealer priority</u> <u>and will be an ATD "Key Vote."</u>

- **H.J.Res. 87** would revoke California's already implemented zero emission vehicle (ZEV) truck sales mandate requiring truck manufacturers to sell an increasing percentage of zero-emission medium-and heavy-duty vehicles, eventually reaching 100% ZEV sales by 2036.
- H.J.Res. 89 would revoke California's new diesel tailpipe emissions rule that began in 2024 which has led to price increases upwards of \$10,000 for a new Class 8 tractor in California. California's rule imposes significant costs and challenges on the truck industry that has already reduced NOx emissions by 98% since 1980.¹ These finalized standards are also out of sync with EPA's final 2027 Low NOx national regulation.

California's aggressive truck regulations have already had negative national implications, as 10 other states have adopted the diesel truck ban and higher emission standards in whole or in part,² creating a patchwork of regulations for truck dealers. Creating more uncertainty for the industry, California, Washington, New York, and New Jersey have begun enforcing sales restrictions resulting from these regulations. As the remaining seven states begin to enforce these two regulations over the next two years, severe decreases in diesel truck allocations will grow since demand for early-stage ZEVs is not keeping pace with the mandate.

Truck dealers have been investing millions of dollars to sell and service ZEVs. However, the demand for ZEVs is nowhere close to the pace necessary to meet California's mandates. In 2024, less than 1% of Class 8 truck sales in the state were ZEVs.³

Affordability remains a major hurdle to adoption of ZEVs. A typical electric Class 8 truck costs roughly \$420,000, and the average cost for a comparable diesel-powered vehicle is \$180,000. For most small businesses and fleets, the extra cost of a zero-emission truck does not pencil out.

¹ American Trucking Associations Comments to EPA Advanced Notice of Proposed Rulemaking "Control of Air Pollution from New Motor Vehicles: Heavy-Duty Engine Standards, January 21, 2020.

² To comply with California's rule, truck and engine manufacturers will have to "deliver for sale" increasingly higher percentages of zero emission trucks for compliance to sell internal combustion engine (ICE) trucks in the "Section 177" states (CA, CO, MA, MD, NJ, NM, NY, OR, RI, VT, WA). All these states except Maryland also follow California's Omnibus Low NOx regulation. Adopted amendments to the Omnibus Low NOx regulation from the California Air Resources Board have capped diesel engine sales to cover only 45-60 percent of the historical ICE market, reducing certified engine availability. ³ CARB 2024 Advanced Clean Truck 2024 Credit Summary.

For heavy-duty ZEVs to operate reliably, a national commercial vehicle charging network is needed. A national commercial vehicle charging network, however, does not exist, and truck buyers are unlikely to purchase vehicles without a reliable public charging 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 study 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.⁴ Additionally, the average range for a Class 8 electric truck is about 150 operational miles. In comparison, an equivalent diesel truck can travel 1,500 miles before refueling.⁵

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 customers' needs. A one-size-fits-all ZEV mandate that restricts then bans the sale of diesel trucks would reduce customer choice without an affordable replacement and could have unintended consequences for the supply chain and the economy.

Regarding California's Low NOx rule, the California Air Resources Board estimates that over 43,000 jobs in California alone will be eliminated due to this rule.⁶ This regulation has increased the price of a diesel truck and is expected to continue to increase in cost over the next two years as the industry is forced to meet unrealistic regulatory timelines. Due in part to this regulation and ACT, California's truck diesel sales were down on average 50% in 2024 versus 2023. Congress should reject California's NOx rule because the marginal benefits of the rule do not outweigh the significant related costs and impacts on small businesses and jobs.

With over 70% of our nation's freight moving by truck, Congress must consider the national impact of allowing an unelected state agency to ban the sale of diesel trucks in certain states. The trucking industry needs one national policy, not a patchwork of regulations. For these reasons, ATD urges "Yes" votes on House passage of H.J.Res. 87 and H.J.Res. 89. Thank you for your consideration.

Sincerely,

ADOM WS

Jacqueline Gelb President

⁴ https://www.nada.org/media/9801/download?inline

⁵ https://www.trucking.org/news-insights/heavy-dose-reality-electric-truck-mandates

⁶ https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2020/hdomnibuslownox/appc3.pdf