

NADA/ATD Study: EPA Underestimated Emission Control Costs for Model Year 2004-2010 Heavy-Duty Trucks

WASHINGTON (March 12, 2012) — The National Automobile Dealers Association (NADA) and American Truck Dealers (ATD) released a new report today that calls into question the Environmental Protection Agency's (EPA) cost analysis of emissions control requirements for model year (MY) 2004-2010 commercial trucks. The mandates resulted in substantially higher prices for commercial vehicles, depressed sales, and delayed the environmental benefits that the EPA originally sought.

NADA/ATD released the following statement:

“Until now, few studies have ever compared the EPA’s cost predictions to the actual cost of meeting its motor vehicle emission mandates. The study, which looks back at the 2004-2010 medium- and heavy-duty truck emissions mandates, reveals that the EPA underestimated actual compliance costs on average by a factor of two to five. It shows what can happen when a regulatory proposal – based on far in-advance predictions – seeks to set mandates far in the future. Importantly, the study documents the real-world market disruptions that can occur as a result.

“The lessons learned from this report apply directly to the proposed MY 2017-2025 fuel economy regulations for light-duty vehicles. That rulemaking, combined with previous Obama administration fuel economy mandates, will raise the average price of a vehicle by \$3,000, according to EPA and National Highway Traffic Safety Administration estimates. When faced with unreasonable federal regulatory mandates that increase motor vehicle costs, buyers of light-duty vehicles – similar to what commercial truck buyers experienced – will seek out less expensive alternatives in the marketplace.”

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The NADA Story

The NADA story began in 1917 when 30 auto dealers traveled to the nation’s capital to convince Congress not to impose a luxury tax on the automobile. They successfully argued that the automobile is a necessity of American life, not a luxury. From that experience was born the National Automobile Dealers Association. Today, NADA represents nearly 16,000 new-car and -truck dealerships with 32,500 franchises, both domestic and international. For more information, visit www.nada.org.

About ATD

The American Truck Dealers, a division of NADA, represents about 2,000 new medium- and heavy-duty truck dealers. Founded in 1970, ATD members share in NADA’s programs, services and benefits. For more information, visit www.atd.org.

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