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THE TRUCK FLEET
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Repeal the Federal Excise Tax on New Heavy-Duty Trucks – Cosponsor H.R. 1440/S. 694

Promote the Adoption of Cleaner and Greener Advanced Technology Trucks

ISSUE

Congress imposes a 12% federal excise tax (FET) on the retail sale of most new heavy-duty trucks. Today, these trucks are much more energy efficient compared to trucks manufactured as recently as a decade ago, and these new trucks are helping to drastically reduce the transportation sector's environmental footprint. **Members of Congress are urged to cosponsor H.R. 1440/S. 694 to help modernize America's truck fleet by incentivizing the purchase of newer, cleaner trucks to replace older trucks.**

BACKGROUND

New trucks and semi-trailers are not reaching the road fast enough to reap the benefits of emerging green technologies. More than half of the Class 8 trucks on the road today are over 10 years old. According to a 2020 survey conducted by the American Trucking Associations, over 60% of fleets were somewhat likely or very likely to purchase new trucks and trailers beyond their scheduled buy if the FET was eliminated.

Today's new trucks are extremely energy efficient. This is mainly due to a 2011 Environmental Protection Agency (EPA) and National Highway Traffic Safety Administration (NHTSA) program to reduce greenhouse gas (GHG) emissions and improve fuel efficiency (FE) in new trucks. Phase 1 of the program established standards for model-year (MY) 2014 -2018, which was expected to save 530 million barrels of oil and reduce carbon dioxide (CO_2) emissions by 270 million metric tons. Phase 2 focuses on MY 2021 2021 and beyond to improve upon Phase 1 advancements, while also establishing standards that rely on currently available technologies as well as those not yet developed or widely deployed. The GHG/FE program mandates apply to all new trucks on an increasingly more stringent basis through MY 2027.

In addition, since 2007, new trucks have reduced CO_2 emissions by 202 million tons, nitrogen oxide emissions (NOx) by 27 million tons and saved 20 billion gallons of diesel and 472 million barrels of crude oil. Additional information on emissions reductions and efficiency improvement standards can be found on the next page.

KEY POINTS

- **FET repeal would accelerate fleet turnover of aging trucks, which would lead to significant reductions in CO_2 emissions and fuel efficiency (FE) improvements.** Since 2010, new trucks have achieved significant CO_2 and FE improvements. A new heavy-duty truck saves about 960 gallons of fuel per year more than a MY 1998 truck. As more than half of the Class 8 trucks on the road today are over 10 years old, FET repeal would incentivize the purchase of new trucks that include the latest emission-reduction technology to modernize the trucking fleet.
- **The commercial truck fleet on American roads today has an outsized impact on the overall environmental footprint of the transportation sector.** Trucks consume over 20% of the nation's transportation fuel or approximately 22 billion gallons of diesel fuel every year while traveling over 200 billion miles annually. Small improvements in the fuel economy of the truck fleet can yield large results. Furthermore, trucks subject to EPA/NHTSA's GHG/FE Phase 2 standards are expected to reduce oil consumption by up to two billion barrels over the lifetime of the vehicles sold under the program.
- **Repealing the 12% FET would quicken the deployment of newer, cleaner trucks on the road which have dramatically reduced criteria air pollutants.** For three decades, cleaner fuel and advanced engines have combined to reduce NOx emissions by 97% and particulate matter (PM) emissions by 98%. To put that in perspective, it would take *60 of today's new trucks* to generate the same level of emissions as a *single truck* manufactured in 1988. In fact, the American Lung Association has credited fleet turnover as an integral factor in helping to improve U.S. air quality.

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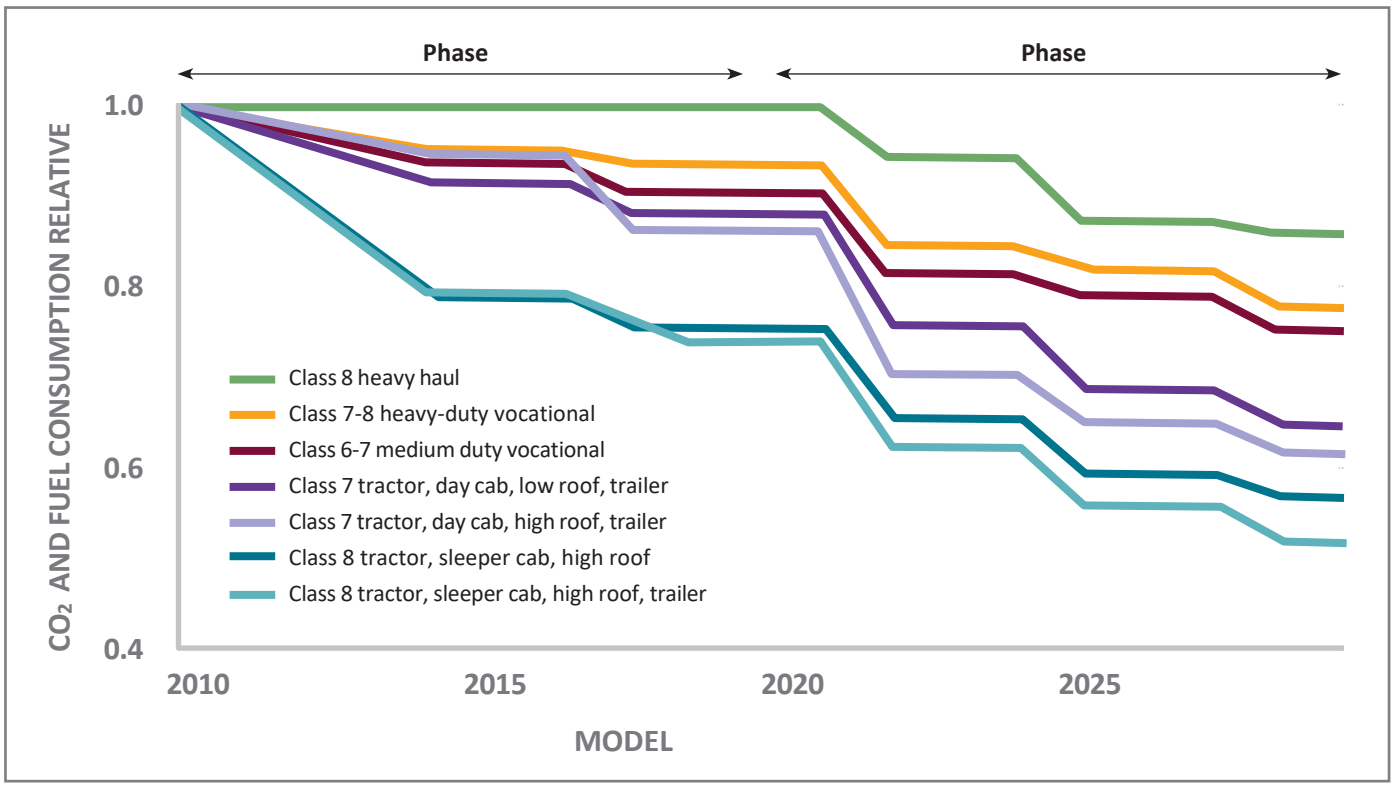
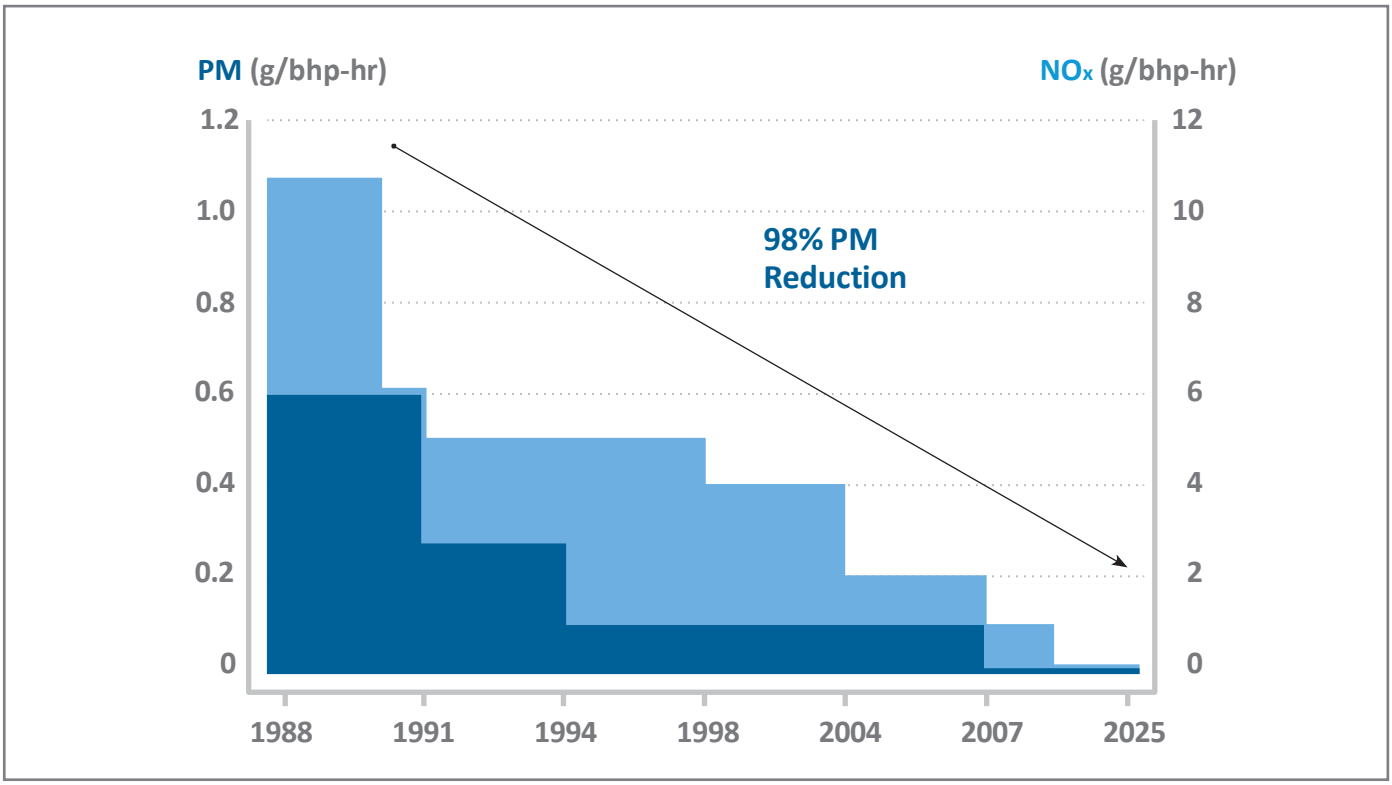
CO_2 and Fuel Efficiency Improvements From Medium- and Heavy-Duty Vehicle Standards



Source: *International Council on Clean Transportation*



Source: *U.S. EPA Office of Transportation and Air Quality (OTAQ)*