



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

ISSUE

The Environmental Protection Agency (EPA) recently issued a [final rule](#) entitled, "Control of Air Pollution from New Motor Vehicles: Heavy-Duty Engine and Vehicle Standards" for medium- and heavy-duty vehicles for model years 2027 and later. This rule imposes between \$39 and \$55 billion in new regulatory costs on the trucking industry between 2027 and 2045 and could result in new commercial motor vehicles (CMVs) that are unaffordable or do not meet the performance standards needed for purchasers' businesses. When new CMVs do not sell, older, less environmentally-friendly CMVs stay on the road. Today's new trucks have already reduced nitrogen oxide (NOx) emissions between 98-99% overall. The best way to improve air quality is to incentivize fleet turnover with the goal of retiring pre-2010 trucks, which do not employ the latest emission control technologies. ***Congress should closely examine the marginal benefits of the NOx rule and its related costs and impacts on small businesses and U.S. jobs.***

BACKGROUND

EPA's final rule aims to reduce the remaining 1-2% of tailpipe NOx emissions for Model Year 2027 and later CMVs. ATD supports standards for cleaner air and healthier communities, which means turning over the fleet to replace older CMVs with newer, greener ones. EPA's overly ambitious rule places this goal at risk, as it will increase the cost of heavy-duty diesel trucks by some \$20,000 to \$25,000, which will impact sales, fleet turnover, and the age of the CMV fleet.

The trucking industry continues to make the deployment of cleaner, greener CMVs a top priority. While OEMs are making huge investments in alternate fuels and electrification, EPA's final rule would impact new CMV sales, undermining real-world emissions, reliability and safety improvements.

KEY POINTS

- **EPA's mandate for 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 environmental and safety improvements.** Today's new CMVs are the cleanest they have ever been. The cost of this rule could have the unintended consequence of keeping older CMVs on the road longer and delaying deployment of new advanced safety technologies.
- **Congress should continue to examine the effects of EPA's rule, since making new CMVs unaffordable or unreliable for the truck market, will further delay fleet turnover and not achieve the intended emissions reductions.**

STATUS

In November 2022, Sen. Joni Ernst (R-Iowa) and 16 Senators sent a [letter](#) to the EPA urging the agency to ensure its pending NOx emission rule is technologically achievable and affordable. On April 18, ATD submitted a [statement](#) to the Senate Environment and Public Works Committee regarding the EPA's NOx rule and the serious concerns regarding its impact on truck sales, fleet turnover, affordability and reliability. On April 26, the Senate passed legislation ([S.J. Res. 11](#)), a Congressional Review Act joint resolution, to overturn EPA's NOx regulation by a vote of 50-49. The White House has stated the President will veto this legislation should it pass Congress.