



EPA's GHG Phase 3 Rule Will Lead to Significant Negative Impacts on Truck Dealers, Truck Buyers, and the Economy

ISSUE

In April, the Environmental Protection Agency (EPA) finalized its “Greenhouse Gas Emissions Standards for Heavy-Duty Vehicles – Phase 3” rule targeting fleet-wide greenhouse gas (GHG) reductions for model year (MY) 2027-2032 heavy-duty vehicles. This [final rule](#) would force the broad adoption of heavy-duty zero emission vehicles (ZEVs), despite currently being less than 1% of sales. An electric truck has upfront costs up to two to three times more expensive than a comparable diesel vehicle and does not offer comparative performance and range capability. Additionally, the U.S. lacks a national commercial vehicle charging network which makes customer adoption of heavy-duty ZEVs and their day-to-day use 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. The lead times proposed by the EPA do not consider the realities of the commercial ZEV marketplace and would result in unaffordable commercial motor vehicles that do not meet the performance standards needed for purchasers’ businesses. **ATD is opposed to EPA’s final GHG Phase 3 rule as it will have unprecedented negative impacts on commercial trucking, U.S. businesses, and consumers.**

BACKGROUND

EPA’s final rule would require manufacturers to convert an annually increasing percentage of their total vehicle sales to ZEVs with the projected sales percentages by MY 2032 for the following categories of vehicle: 60% of 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.

A heavy-duty ZEV costs more than two times the cost of a comparable diesel truck. A typical Class 8 electric truck costs \$400,000 with an estimated range of 150 miles. By comparison, the average cost for a diesel-powered vehicle is \$180,000 with a range of 1,000 to 1,500 miles. In addition, charging infrastructure poses a daunting barrier to widespread heavy-duty ZEV adoption, as it is largely non-existent. While dealers are investing millions of dollars of their own capital in the infrastructure, training, and equipment to sell and service ZEVs, truck buyers are unlikely to buy these vehicles without a reliable public refueling infrastructure designed for commercial ZEVs.

ATD supports sound policies that increase fuel efficiency and reduce GHGs for America’s trucks, but trucks must be affordable and reliable first so those benefits can be realized. FAQs regarding EPA’s new rule can be found [here](#) and ATD’s public comments regarding the rule can be found [here](#).

KEY POINTS

- **EPA’s Phase 3 rule, coupled with the EPA’s recently finalized \$39 billion NOx rule, will result in a dramatic “pre-buy” in 2026 and a “no-buy” marketplace in 2027.** When emissions standards are too stringent and rushed, business closures, job losses, and delayed environmental benefits will result.
- **The U.S. lacks the charging infrastructure for the commercial trucking industry.** A Roland Berger [study](#) highlighted the need for \$620 billion solely to build charging infrastructure, with an additional \$370 billion required for utility companies and the government to upgrade distribution grids for commercial vehicle demand alone.
- **EPA rushed this rule and did not sufficiently consider its impact on the economy.** EPA issued this rule without an Advance Notice of Proposed Rulemaking, and a comment period of only 50 days. Congress must also consider this rule’s impact on employment, as EPA stated in its regulatory impact analysis that “due to a lack of data, [the agency] is not able to estimate the quantitative employment effect from this rule on heavy-duty manufacturing.”

STATUS

ATD supports Congressional Review Act legislation to disapprove EPA’s heavy-duty truck rule, which is expected to be introduced by Sen. Dan Sullivan (R-Alaska) and Rep. Russ Fulcher (R-Idaho) on April 30.