



Energy & Environment

Supporting Ambitious but Achievable Federal Measures to Reduce Pollution



ATA POSITION: ATA is committed to environmental stewardship and supports practical policies and technologies that will reduce pollution from commercial truck operations. To that end, ATA advocates for science-based federal laws and regulations to maintain and protect the environment while ensuring uniformity across all levels of government. The trucking industry has long supported data-driven public policies that encourage investments in cleaner, more fuel-efficient equipment. As government invests in development and deployment of electric, alternative fuel, and zero-emission vehicles and the infrastructure to support them, ATA strongly encourages policymakers to consider the unique needs of heavy-duty commercial motor vehicles (CMVs).

BACKGROUND: In order to reduce the environmental impact of trucking, fleets must invest in new, cleaner equipment and government agencies and utilities need to build out charging and fueling infrastructure, increase power generation, and improve the electric grid to support the needs of CMVs. Through major advances in engines and emission control systems, trucking has reduced emissions drastically in the past forty years: 60 trucks manufactured today emit less pollution than one truck manufactured in 1985. These clean trucks can be more widely deployed – 53% of trucks on the road today were manufactured before 2011 and are not equipped with the most advanced clean engines and emissions reduction technologies. Replacing those trucks with clean diesel models currently available in the marketplace would reduce emissions from trucking by over 80%.

The biggest barrier to deploying newer, cleaner trucks nationwide is the antiquated 12% Federal Excise Tax (FET) on heavy-duty vehicles. This World War I-era tax adds over \$20,000 to the cost of new lower-emissions diesel equipment, and significantly more than that to the purchase prices of zero-emission, battery electric, and alternative fuel vehicles. Pricing challenges have been compounded by a lack of semiconductors availability in recent years, driving up costs and limiting the availability of environmentally friendly trucks. As heavy-duty truck manufacturing supply chains normalize, repealing the FET by passing the *Modern, Clean, and Safe Trucks Act* (H.R. 1440, S. 694) will further lower the cost of cleaner trucks and accelerate emissions reduction from freight transportation.

One further challenge to the deployment of next generation trucks, particularly for hydrogen or battery electric vehicles, is the current inability of our national electric grid and alternative fuel distribution networks to power those heavy-duty trucks. Supporting the buildout of fueling station infrastructure that can support commercial motor vehicles through utility grid investments under the *Infrastructure Investment and Jobs Act* will ensure the viability of those alternatives for motor carriers and encourage deployment of those clean technologies.

ATA has a long history of working with federal agencies to develop regulations with goals that are realistic and achievable for the industry. ATA worked closely with the Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) as the agencies finalized the Phase 1 Rule for greenhouse gas reductions in 2001. Technology developments under that rule led to an estimated fuel efficiency increase of 23 percent, a reduction of CO₂ emissions by 270 million metric tons. The subsequent Phase 2 Rule, where ATA again collaborated with federal agencies and industry stakeholders, will result in an additional 34 percent improvement. As EPA implements the new Heavy Duty Truck rule on NO_x emissions and looks to finalize a Phase 3 GHG rule in 2023, ATA will continue working with agencies to set and achieve ambitious emissions reduction goals.

The volatile price of diesel fuel, the primary energy source for moving America's freight for 75 years, creates constant challenges for trucking. Fuel is on average the second-highest operating expense for a trucking company, and fuel cost increases are difficult for trucking companies to absorb or pass along to their customers. Additionally, the Highway Trust Fund relies on federal fuel tax receipts to maintain and expand the interstate highway system that enables our nation's commerce. Proposals to modernize the funding system for our nation's interstate highway system while encouraging decarbonization must fairly apportion costs among all road users and take into account the vital importance of trucking to the American economy. In the interim, ATA supports a national energy policy that ensures an adequate supply of reasonably priced fuels to ensure that trucking keeps America moving forward.

IMPACT: The transition from reliance on diesel fuel to electrification or alternative energy sources will not happen overnight. Even without that wholesale transition, trucking has made major strides over recent decades in reducing its emissions footprint and will continue to do so. Ensuring that federal agencies account for the needs of the trucking industry is important to ensure that regulatory and economic hurdles do not slow the decarbonization of transportation. In particular, addressing financial incentives and taxation, and directing the infrastructure buildout funded by the IIJA are opportunities to take positive steps forward in environmental stewardship.

SOLUTION: ATA will work closely with Congress and federal agencies to encourage repeal of the FET by passing the *Modern, Clean, and Safe Trucks Act* (H.R. 1440, S. 694). ATA supports implementation of competitiveness measures that will provide long-term availability of critical truck manufacturing components such as semiconductor chips, and investment in the buildout of transmission, charging, and fueling infrastructure to support the next generation of clean commercial trucks as well as all other road users.

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