

**Responses to Questions for the Record from June 22, 2023, hearing  
of the Subcommittee on Environment, Manufacturing, and Critical Materials  
Scott Lambert, President, Minnesota Automobile Dealers Association**

**The Honorable Russ Fulcher**

1. In our Subcommittee hearing with EPA Administrator Michael Regan on May 10th, I asked about the EPA's proposed rule for Greenhouse Gas Emissions (GHGs) Standards for Heavy Duty Vehicles: That proposed rule focused partly on emission standards for heavy-duty commercial vehicles for the model year 2027, tightening the tailpipe "NOx" limits to a level 80%-plus below the current standard. At the end of April, the Senate passed a Congressional Review Act (CRA) resolution disapproving of the EPA rulemaking on heavy-duty trucks.
  - a. **The hearing answer I got from EPA Administrator Regan was that such standards would be phased in, with the thinking that this would make it easier for complying with the rule. However, the National Automobile Dealers Association (NADA) estimates that this rule could increase the cost of heavy-duty diesel trucks by \$20,000 to \$25,000. NADA notes it could impact "sales, fleet turnover, and the age of the commercial motor vehicle" fleet.**
    - i. **Mr. Lambert, what kind of an impact will this have on commercial truck dealers?**
    - ii. **Wouldn't this result in small trucking businesses having to keep their trucks longer, undermining safety on the road?**

Response to Question i:

In April, the EPA proposed a "Phase 3" greenhouse gas (GHG) rulemaking, coupled with their low-nitrogen oxide (NOx) rule, which was finalized in December 2022. EPA's NOx rule, aimed at reducing the remaining 1-2% of tailpipe NOx emissions, is estimated to increase the cost of heavy-duty diesel trucks by \$20,000 to \$25,000.

Additionally, EPA's proposed Phase 3 greenhouse gas rule requires broad and faster adoption of zero-emission heavy-duty trucks, which cost up to three times more than comparable diesel vehicles and do not offer equivalent range or load capacity. EPA estimates Phase 3 will increase upfront costs for a MY 2032 vocational zero emission vehicle (ZEV) by as much as \$11,000, a MY 2032 day cab tractor ZEV by \$17,000, and a MY 2032 sleeper cab by \$15,000.

In the aggregate, EPA's mandates will lead to an increase in the cost of a new heavy-duty truck that will likely reduce sales, delay fleet turnover, and increase the age of the commercial motor vehicle fleet. Minnesota's truck dealers expect these new and proposed standards to result in a dramatic "pre-buy" of trucks in 2026 and a "no buy" marketplace in 2027. If that happens, job losses, and delays in environmental and safety benefits will occur.

Response to Question ii:

Yes. EPA's NOx and GHG mandates and the greatly increased costs will result in small trucking businesses repairing and holding onto their trucks longer, or purchasing used trucks, rather than investing in trucks with the latest safety technologies. New trucks offer the latest safety options that help prevent trucks from drifting into other lanes or alert drivers to potentially unsafe driving conditions such as blind spot warnings or tire pressure monitoring. With these mandates truck owners will keep older commercial motor vehicles on the road longer, delaying the deployment of new advanced safety and environmental technologies. Nearly half of America's commercial truck fleet is over 10 years old; this figure is likely to increase because of EPA's new rules.