



## NEW TRUCK EMISSION PROPOSAL – HAVE YOUR SAY

Commercial truck traffic is key to our nation's economic prosperity. Our economy depends on trucks to deliver ten billion tons of virtually every commodity consumed or nearly 70 percent of all freight transported annually in the U.S. In the U.S. alone, this accounts for \$671 billion worth of goods transported by truck. Add \$295 billion in truck trade with Canada and \$195.6 billion in truck trade with Mexico and it becomes apparent that any disruption in truck transportation will have an impact on economic activity.

In a draft 'Impact Analysis Proposed Rulemaking for Greenhouse Gas Emissions and Fuel Efficiency Standards for Medium and Heavy Duty Engines and Vehicles' proposed by the EPA and U.S. Department of Transportation, the emission standards bar for trucks will be raised. Trucks have drawn attention from environmentalists, because while they make up just 4 percent of vehicles on the road, they account for 20 percent of greenhouse-gas emissions from transportation.

The proposal is comprised of two broad categories of standards for big trucks: one for the load-pulling tractor unit of large semitrailers and one for the trailer it hauls. The tractor standard will require that a truck built in 2021 and beyond be as much as 24% more fuel efficient and emit as much as 24% less carbon emissions than an equivalent truck built in 2018, according to the agency.

The EPA is proposing to raise these fuel-economy standards for medium and heavy-duty vehicles between 2021 and 2027 - saving an estimated 1.8 billion barrels of oil. Fuel is typically a trucking fleet's first or second largest operating expense. Glen Kedzie, a vice president of

the American Trucking Association stated that “In 2014, trucking spent nearly \$150 billion on diesel fuel alone”.

While the ATA appears to look favorably on the proposed legislation, there are many factors to consider in achieving these new standards, not the least are short term costs. In this capital intensive business, most fleet owners seek a return on their investment in new equipment within 18 to 24 months. There are concerns that new engines will be less reliable and raise repair costs. This proposed legislation will not only impact engines but will also create standards for trailers. For the first time, regulating the trailers of 18-wheelers and other big hauling trucks, the proposed legislation will apply to certain trailer models beginning in 2018 through 2027. This would save an additional 8% in fuel and carbon emissions, compared with an average trailer built in 2017, but will require additional investment. There are concerns that the EPA’s new truck rule, if badly implemented, could require trucking companies to adopt still-unproven technology.

This is good news for the truck engine makers like Cummins, because it will require fleet owners to buy new, more expensive engines. Tom Linebarger, chairman and chief executive of Cummins Inc., one of the world’s largest makers of diesel engines, said the proposed rules “will help our industry grow in a more sustainable way, which is a win for our customers and a win for the environment.”

What does all this mean to you as a shipper? If passed, there is no doubt that the cost of compliance will be passed along and absorbed by the shipping public in the form of higher freight rates. However, you must decide if this is too high a price to pay for improving the air quality that we all need. In any case, this rule is only a proposal for now - the EPA will now hold a 60-day comment period, allowing people around the country to suggest tweaks and changes. If you or your company feels strongly about this issue one way or another we urge you to speak out.

If you wish to contact the EPA, there is information on their website at: [www.epa.gov](http://www.epa.gov)

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