

LEGAL UPDATES

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EPA Issues Tougher Emissions Rules for Large Vehicles

On August 16, 2016, the Environmental Protection Agency (EPA) and National Highway Traffic Safety Administration (NHTSA) jointly promulgated new, tougher fuel efficiency and emissions standards for tractor-trailers, delivery trucks, school buses and other large vehicles. These rules will require engine and vehicle manufacturers to make extensive use of emerging technologies. Additionally, businesses using these vehicles will likely see increases in equipment acquisition costs, which will be significantly offset by reduced fuel costs.

About the New Standards

The new standards are intended to reduce carbon emissions to fight global warming, improve fuel efficiency and, ultimately, save money for consumers. They require up to a 25 percent reduction in carbon emissions for newly manufactured large tractor-trailers – and a smaller reduction for school buses, delivery trucks and other large vehicles – in three stages by 2027. The reduction target, which is 10 percent higher than in the initial proposed rule, would eliminate an estimated 1.1 billion metric tons of carbon emissions over the next 10 years. Currently, large trucks account for 20 percent of carbon emissions while making up only 5 percent of vehicles on the road.

Although estimates peg the cost of complying with the new rule at about \$12,000 per vehicle, the belief is that the new standards will save money for the transportation industry in the long run. Tractor-trailer owners, for instance, could recoup the cost of the upgrades within two years as a result of fuel savings from improved efficiency. Industry groups such as the Heavy-Duty Fuel Efficiency Leadership Group and the American Trucking Association support the new standards.

What This Means to You

Manufacturers and importers of medium- and heavy-duty engines and vehicles should begin preparing now for compliance with the new standards, which will apply to medium- and heavy-duty vehicles manufactured in model years 2019 through 2027. Compliance will require adopting a combination of current off the-shelf technologies and emerging technologies to improve the performance of engines and vehicle components.

Contact Us

For more information on how the new emissions regulations may impact your business, please contact a member of Husch Blackwell's Technology, Manufacturing & Transportation team.