AGRICULTURAL
RETAILERS
ASSOCIATION

4201 Wilson Blvd. • Suite 700 • Arlington, VA 22203 | T 202.457.0825 • F 202.463.0474 • www.aradc.org

May 16, 2022

EPA Docket Center
WJC West Building, Room 3334
1301 Constitution Avenue NW
Washington, D.C. 20004

RE: EPA Control of Air Pollution from New Motor Vehicles: Heavy-Duty Engine and Vehicle Standards, Proposed Rule; Docket # EPA-HQ-OAR-2019-0055

To Whom It May Concern:

On behalf of the Agricultural Retailers Association (ARA), I am submitting comments regarding the U.S. Environmental Protection Agency's (EPA) proposed rule on "Control of Air Pollution from New Motor Vehicles: Heavy-Duty Engine and Vehicle Standards," Docket # EPA-HQ-OAR-2019-055. While ARA supports efforts to improve the environment, any final proposed rule needs to prevent creating significant economic uncertainty among industries reliant on commercial trucks to move essential goods and provide critical services for American consumers.

Statement of Interest

ARA is a 501(c)(6) non-profit trade association that represents the interests of agricultural retailers and distributors across the United States on legislative and regulatory issues. As the political voice for agricultural retailers and distributors, ARA advocates on critical issues, educates legislators and collaborates with regulatory officials on critical issues affecting the industry. Ag retailers supply farmers and ranchers with products and services. These products include seed, nutrients, crop protection products, feed, equipment, and technology. Retailers also provide consultative services such as crop scouting, soil testing, field mapping, custom planting and application and development of nutrient management and conservation plans. Certified Crop Advisers (CCAs) and Pest Control Advisers (PCAs) are often retained on the retailer's staff to provide professional guidance and crop input recommendations to farmers and consumers. Agricultural retailers range in size from small, family-held businesses to large companies and farmer-owned cooperatives with many outlet stores. Large and small retail facilities are scattered throughout all fifty states and provide critical goods and services, as well as jobs and economic opportunities in rural and suburban communities.

Comments

ARA supports practical, technologically feasible, and cost-effective efforts to promote newer technologies that will reduce emissions in heavy-duty trucks and other motor vehicles with the goal of cleaner air and healthier communities. However, the EPA's current proposals are not practical or cost-effective and not technologically feasible in the near term. These new EPA standards are being

proposed at a time the United States continues to face record inflation and cost increases on new and used vehicles as well as every other essential consumer good. This proposal will lead to users keeping and maintaining older vehicles on the road longer, thereby keeping emissions high and running directly counter to the EPA's stated goals. ARA does not believe either Proposal 1 or 2 establish a practical timeline to ensure vehicle performance and reliability.

EPA Administrator Michael Regan has stated he is aiming for an "electric future" for road transportation and this severe heavy-duty engine and vehicle standard pushes the U.S. significantly in that direction to the detriment of our economy as well as place further strains on our supply chains. The proposed rule must protect the continued use of the internal combustion engine and promote the use of low-emission biofuels. The EPA's push towards zero-emission vehicles and support for efforts to ban the internal combustion engine, which this latest proposal is designed to do, will cause major job losses, decrease farm income, cause a decline in the U.S. GDP, and adversely impact corn and soybean prices. In October 2020, before the nation's started to see record high inflation, ARA released a commissioned study that analyzed the impact of increased electric vehicle penetration on U.S. biofuels, agriculture, and the economy. Proposals to ban internal combustion engine vehicles, which is a goal of this proposal, by 2035 and 2050 served as the economic models for the study, along with a base case provided by the U.S. Energy Information Administration's Annual Energy Outlook. Key findings of the "Economic Impacts to U.S. Biofuels, Agriculture, and the Economy from Subsidized Electric Vehicle Penetration"[1] include the following:

- U.S. light-duty and freight vehicle consumption of ethanol and biodiesel could decline up to 90 percent to 1.1 billion gallons and up to 61 percent to 0.8 billion gallons, respectively
- Corn and soybean consumption decrease by up to 2.0 billion bushels and up to 470 million bushels, respectively
- Corn prices fall up to 50 percent to $1.74 per bushel
- Soybean prices fall up to 44 percent to $4.92 per bushel
- U.S. Net Farm Income decreases by up to $27 billion
- U.S. GDP declines by up to $26.4 billion, resulting in cumulative GDP losses of up to $321 billion
- U.S. job losses could reach up to 255,300 in the year 2050

ARA recommends that EPA propose modest and achievable nitrogen oxide (NOx) emissions standards that are affordable, dependable, durable, fuel efficient and meet the needs of agricultural retailers, trucking companies, and all other impacted industries. It is our understanding that the current costs for the maintenance and repairs of emissions-related equipment is at least $5,000

[1] https://www.aradc.org/news/ag-biofuels-study

annually. The new proposal will make those average annual maintenance and repair costs soar even higher. These new federal standards attempt to match those implemented by the state of California last year. However, the trucking industry and manufacturers have maintained that it is not technically feasible to meet the new standards and have never demonstrated that to be the case. It has been reported in December 2021 that the Truck and Engine Manufacturers informed the White House that no manufacturer has said they can produce a complying product. The result of this mandate going into effect means equipment manufacturers will spend hundreds of millions of dollars chasing an impossible standard rather than strategically deploying scarce financial resources on proven technologies. Advanced and cellulosic biofuels have been proven to provide low-cost and low-emission alternative based fuel that EPA can help promote by reducing the regulatory backlog stifling fuel technologies that can allow the nation to harness cleaner, renewable energy available from agricultural residue, corn fiber, and waste. ARA supports the EPA's lifting of the restrictions on the sale of E15 for the 2022 summer driving season, but this policy decision needs to be made permanent in order to allow consumers access to E15 on a year-round basis. According to Growth Energy, the lifting of E15 restrictions for this summer will save drivers as much as 50 to 60 cents a gallon. In addition, American biofuels like ethanol reduce greenhouse gas (GHG) emissions by 46 percent compared to regular gasoline and are key to achieving any climate goals.[2]

Here is a look at the numbers behind EPA's overly stringent proposed rule according to the Truck and Engine Manufacturers Association (EMA)[3]:

- **4.5 million:** With more than 4.5 million medium- and heavy-duty trucks on the road today delivering 72% of the goods, services, and freight that consumers depend on every day, EPA's final rule would have a sweeping impact on the nation's economy.

- **98%:** Almost all (98%) of U.S. fleet owners are small businesses operating fleets with 20 or fewer commercial vehicles. Nine out of ten of these fleets (91%) operate six or fewer trucks.

- **11.6%:** Research from Ramboll Group shows NO_X emissions could actually *increase* by as much as 11.6% under EPA's more stringent rule because of delayed fleet turnover and older, higher-emitting trucks staying on the road longer.

- **$42,000**: Contrary to EPA's claims that per-unit truck cost increases will be minor, analysis from Ricardo Strategic Consulting found the per-unit cost increase for heavy-duty diesel engines could exceed $42,000, including increased operating costs, making it unlikely that fleet owners will be able to afford to purchase the new trucks. An earlier cost study that the California Air Resources Board commissioned from the National Renewable Energy Laboratory (NREL) reached similar conclusions.

---

[2] https://growthenergy.org/2022/04/12/growth-energy-thanks-biden-for-delivering-lower-cost-fuel-options-for-families/

[3] http://www.truckandenginemanufacturers.org/file.asp?A=Y&F=EMA+Press+Release+on+EPA+Hearing%2Epdf&N=EMA+Press+Release+on+EPA+Hearing%2Epdf&C=documents

- **221,000:** ACT research found that, under one scenario, as many as 221,000 good-paying jobs in the truck and engine manufacturing industries could be at risk if EPA pursues a poorly designed rule such as the one it has proposed.

To be effective, any final rule must result in new trucks that are:

- **Affordable:** If trucking companies choose not to purchase new trucks due to cost or reliability concerns, older trucks will stay on the road longer and environment goals will not be achieved;

- **Durable:** New, more expensive trucks are not purchased to sit in repair bays. Trucks are unproductive pieces of equipment unless they are moving freight;

- **Safe:** Safety is a top priority in every trucking operation. Putting off the purchase of the newest equipment will delay the use of the latest safety technologies; and

- **Cleaner**: An unworkable rule will delay fleet turnover and impede environmental progress. The long-term promotion of alternative, renewable fuels such as low-emission biofuels need to be part of any long-term solution to promoting cleaner air and healthier communities.

Fleets do not make trucks -- they are consumers that buy trucks. While this rule is directed at manufacturers, it is agricultural retailers, trucking companies, and other businesses buying modern technologies that determine the success or failure in the implementation of every truck emissions regulation. Fleets remain extremely sensitive to the many difficulties involved in running a company – a matter that is especially significant to the 97 percent of fleets classified as small businesses.

Thank you for your review and consideration of our comments.

Sincerely,

Richard D. Gupton

Richard D. Gupton
Senior Vice President, Public Policy & Counsel