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May 22, 2023

The Honorable Troy Nehls
U.S. House of Representatives
1104 Longworth House Office Building
Washington, D.C. 20515

Dear Representative Nehls:

On behalf of NFIB, the nation's leading small business advocacy organization, I write in support of S.J.Res. 11, the Congressional Review Act (CRA) resolution of disapproval for the Environmental Protection Agency (EPA) final rule relating to increased emission standards for new heavy-duty trucks. The resolution would repeal the EPA's final rule that would significantly increase the cost of new trucks and delay turnover of the trucking fleet.

According to NFIB's *Problems and Priorities* survey, "unreasonable government regulation" is a significant problem facing small businesses.¹ The EPA's rule increasing the emissions standards for new trucks is an example of a burdensome regulation that will significantly increase costs for small businesses. According to an estimate by the National Automobile Dealers Association, the rule could increase the price of a heavy-duty diesel truck by \$42,000.²

In total, the National Automobile Dealers Association noted that this rule could add \$55 billion in regulatory costs on the private sector.³ Yet, according to the EPA's final rule, the agency certified the rule will only cost \$3 million and impose 16,951 paperwork hours per year.⁴ The EPA also noted the action "will not have a significant economic impact on a substantial number of small entities under the [Regulatory Flexibility Act]" and that only "251 small entities in the heavy-duty sector would be subject to the final rule."⁵ Based on these statements, it appears the EPA analyzed the costs to vehicle manufacturers but did not account for the increased costs to downstream businesses and consumers from the final rule.

¹ Holly Wade & Andrew Heritage, *Small Business Problems & Priorities*, NFIB Research Center, August 2020, <https://assets.nfib.com/nfibcom/NFIB-Problems-and-Priorities-2020.pdf>.

² David Bell, *EPA's Pending NOx Emissions Rule Could Backfire with Major Consequences for Dealers and their Customers*, National Automobile Dealers Association, November 28, 2022, <https://www.nada.org/legislative/atd-legislative-affairs-epas-pending-nox-emissions-rule-could-backfire-major>.

³ *ATD Raises Concerns Regarding EPA's Final NOx Emission Standards for Commercial Trucks*, National Automotive Dealers Association, December 20, 2022, <https://www.nada.org/atd/press-releases/atd-raises-concerns-regarding-epas-final-nox-emission-standards-commercial>.

⁴ 88. *Fed. Reg.* 4466, col. 1. <https://www.govinfo.gov/content/pkg/FR-2023-01-24/pdf/2022-27957.pdf>.

⁵ *Id.*

This rule is one additional example of the evasive tactics used by agencies to minimize or ignore the costs of federal regulations on small businesses. In fact, NFIB has identified 28 instances from January 2021 to January 2023 where federal agencies failed to comply with the small business requirements under the Regulatory Flexibility Act.⁶

Congress must address these regulatory gaps to truly account for the impact of regulations on small businesses. Small businesses do not have the resources to invest an additional \$42,000 on top of the costs for a new truck. Many businesses will make the rational decision to hold onto older vehicles longer, thus reducing turnover of the trucking fleet. Unfortunately, this rule will increase compliance and truck costs while having the unintended consequences of slowing the actual emissions reductions taking place in the trucking fleet. Clearly, that is not the intent of the rule, but it is likely to be the outcome.

This burdensome rule falls on small businesses as they continue to face many economic headwinds, including slowing economic growth, high inflation and energy costs, persistent labor shortages, and supply chain disruptions.⁷ Unfortunately, the Administration's aggressive regulatory agenda is harming small business optimism and the pace burdensome rules like EPA's heavy-duty truck rule do not appear to be slowing.

NFIB supports the EPA resolution of disapproval and appreciates your leadership to reduce the regulatory burdens and increased costs faced by small businesses.

Sincerely,



Kevin Kuhlman
Vice President, Federal Government Relations
NFIB

⁶ Rob Smith, *The Regulatory Flexibility Act: Turning a Paper Tiger Into a Legitimate Constraint on One-Size-Fits-All Agency Rulemaking*, National Federation of Independent Business Small Business Legal Center, May 2023, <https://strgnfibcom.blob.core.windows.net/nfibcom/NFIB-RFA-White-paper.pdf>.

⁷ William C. Dunkelberg and Holly Wade, *Small Business Economic Trends Survey*, NFIB Research Center, May 9, 2023, <https://strgnfibcom.blob.core.windows.net/nfibcom/SBET-Apr-2023.pdf>.