CLIENT ALERTS & INSIGHTS

Trump's Emissions Rollback: What Motor Carriers & Private Fleets Must Know

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Authors: Jonathan R. Todd, Brian Cullen, Robert (Bob) Pleines, Jr.

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President Trump took steps to dismantle California's vehicle emissions standards on June 12, 2025, by signing three Congressional Review Act ("CRA") resolutions revoking California's waiver under the Clean Air Act. The waiver previously allowed California to set emissions standards that were stricter than under federal law. The CRA nullifies California CARB's Advanced Clean Trucks and Heavy-Duty Engine emissions rules. The trucking industry cheered this development as a tangible result of its advocacy for those fleets struggling with the cost and complexity of time-certain deadlines for zero-emissions transition.

Emissions Regulation Impacts

Three key CARB regulations impacted by the CRA resolutions include the:

- Zero-Emission Vehicle ("ZEV") Sales Mandate: Known colloquially as California's "gas-car ban", this regulation required that 100% of new passenger vehicles sold within California be electric or fuel-cell by 2035. The regulation also mandated that at least 80% of new light-duty vehicles sold be plug-in hybrids or ZEVs by 2035.
- Advanced Clean Trucks ("ACT") Regulation: This rule, which targeted manufacturers of medium- and heavy-duty trucks, required a tiered increasein the percentage of zero-emission medium- and heavy-duty truck sales from 2024 to 2035. In addition to California, several other states adopted the ACT Regulation, including: New York, New Jersey, Colorado, Massachusetts, Oregon, Rhode Island, Vermont, Washington, Delaware, New Mexico, and Connecticut ("CARB-Adopting States").
- Low-NO□ Omnibus "Heavy-Duty Engine" Rule: This rule established stricter nitrogen oxide ("NO□") standards for new heavy-duty diesel engines that are well above current federal levels set by the EPA. California had previously been granted waivers by the EPA for the state to enact the higher standards. The CARB-Adopting States also adopted the Heavy-Duty Engine Rule.

Pending Litigation and Potential Effects

California filed a lawsuit immediately following President Trump's execution of the CRAs. It was joined by the CARB-Adopting States. California and the CARB-Adopting States argue that the use of the CRA to revoke waivers is legally improper because waivers are not federal rules subject to congressional override. The states also argue that the rollback threatens public health-especially in polluted regions-and jeopardizes state-level innovation and investments in EV manufacturing and infrastructure.

California Governor Gavin Newsom also responded to the execution of the CRAs by issuing an executive order directing California's Air Resources Board to develop replacement or strengthened vehicle emissions standards within sixty (60) days, and to publicly list automakers and fleets that voluntarily adopt ZEV standards (EO N-27-25).

The significance of these and prior actions by California and the CARB-adopting states is due in part to their sizable percentage of current and projected new vehicle sales in the U.S. Standards set by CARB influenced the trajectory and timeline for the automotive and transportation industry's movement toward electric vehicle adoption. Therefore, the outcome of this litigation could significantly affect the speed at which EV and other GHG Emission-reduction technologies are adopted by OEMs and commercial operators.

Next Steps for Motor Carriers & Private Fleets

Emissions mandates have presented growing financial and logistical challenges for fleet managers. The rules out of CARB and the CARB-Adopting States impact all aspects of carrier operations including routing, power unit deployment, power unit obsolescence, and capital expenditures. Industry is breathing a sigh of relief due to the CRA even now, despite the unknown outcome of subsequent litigation.

The ultimate outcome of litigation may alter the long-term competitive strategies and capital planning. If the CRAs is upheld, carriers operating across state lines may no longer be subject to these emissions mandates freeing up traditional business rationales as operators look to manage network cost and performance. If California prevails, however, a patchwork regulatory environment may reemerge overnight. Therefore, fleet management planning prior to execution of the CRA remains on the table although contingency planning is now a wise idea for business leaders.

A second consideration is that this rollback will spur new strategies by CARB and CARB-Adopting States to achieve the same desired effect as the mandate. Those strategies may include incentivizing the adoption of EVs rather than prohibiting the use of ICE engines. Awareness remains key to fleets in 2025, on this front and many others, because new proposed changes to state laws and regulations could yield similar outcomes as the prior attempts or may instead present opportunities to benefit from any new programs or incentives.

A third consideration is the trend of market forces. Sustainability strategies remain for large enterprise shippers and their boards. Those efforts directly impact transportation procurement or the way in which capital is deployed for company private fleets. Even if mandates backslide the force of investors, customers, and end consumers are increasingly expecting decarbonization and sustainability efforts. These factors may contribute to continued commercial reasons for the

transition away from ICE engines. The expectation of continued technological advancement and the potential for infrastructure growth may make that transition advantageous for financial performance and operational efficiency across motor carriers and private fleets.

The team at Benesch are experienced in advising motor carriers, private fleets, and OEMs in all aspects of practical emissions compliance including environmental regulation enforcement defense, equipment purchase and lease agreements, and services agreements. Benesch client alerts and legal publications to help you stay on the cutting edge of developments are available by signing up **here**.

Jonathan R. Todd is Vice Chair of Benesch's Transportation & Logistics Practice Group. He can be reached at 216.363.4658 or jtodd@beneschlaw.com.

Brian Cullen is Of Counsel in the Practice Group. He can be reached at 312.488.3297 or bcullen@beneschlaw.com.

Robert Pleines, Jr. is a Senior Managing Associate in the Practice Group. He may be reached at 216.363.4491 and rpleines@beneschlaw.com.