

FINANCIAL INCENTIVES FOR IDLING REDUCTION EQUIPMENT

ATA POSITION:

ATA supports legislation (H.R. 139 and S. 894) that provide a tax credit for 25% of the cost of a qualifying idling reduction device up to \$1,000 and will pursue any options for adoption, including a broader energy proposal.

BACKGROUND:

Long-duration truck idling consumes approximately 1.1 million gallons of diesel fuel annually. The average truck consumes .80 gallons of diesel fuel per hour when idling (not to mention that studies have shown maintenance on trucks increases on average \$1.13 per day as a result of reduced oil change and overhaul intervals). Language in the Energy Policy Act of 2005 would afford fleets grant monies for the purchase and installation of idling-reduction equipment. ATA is currently working on securing monies to carry out those provisions.

The Energy Policy Act also includes language that allows for a vehicle weight exemption of up to 400 pounds as a further incentive for fleets to purchase idling reduction equipment. Unfortunately, a memo from the Federal Highway Administration's Size and Weight Division issued in the fall of 2005 interpreted that the federal weight exemption is not a national mandate but rather left up to each individual state's vehicle enforcement officials to recognize. ATA is currently working with Congress and the White House to address this misinterpretation.

Rep. Kay Granger (R-TX) introduced truck idling legislation in January 2007. The bill would offer fleets tax credits of up to \$1,000 per truck if they are equipped with idle reduction devices.