
August 14, 2025

FTC Issues Closing Statement on Clean Truck Partnership Antitrust Investigation

Statement provides guidance on certain circumstances that could draw FTC scrutiny

Key Takeaways

- The FTC will be “vigilant” in investigating ESG-driven practices that may impact competition, even where a governmental entity is involved. State action and *Noerr-Pennington* immunity may not be available in certain circumstances, according to the FTC.
- Companies involved in sustainability collaborations should evaluate their participation for antitrust enforcement risk in light of a recent FTC investigation closing statement.

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On August 12, 2025, the Federal Trade Commission (FTC) issued a [closing statement](#) regarding its investigation into whether four truck and engine manufacturers and their trade association violated the antitrust laws by entering into a Clean Truck Partnership with the California Air Resources Board (CARB). The entities under investigation made written commitments in letters to the FTC, and the FTC closed the investigation.

The FTC’s statement is notable because it provides some guidance on how the FTC views collaborations undertaken for the purpose of furthering sustainability initiatives. Former FTC Chair Lina Khan explained why “[ESG Won’t Stop the FTC](#)” and [declared](#) that there is “no such thing” as an ESG antitrust exemption. Chairman Andrew Ferguson, too, stated that “there is no ESG exemption from the antitrust laws.” However, unlike what their counterparts have done in other jurisdictions—for example, the UK Competition & Markets Authority’s [Green Agreements Guidance](#) and Chapter 9 of the European Commission’s 2023 [Horizontal Agreements Guidelines](#) on sustainability agreements—the United States antitrust agencies have not published any formal guidance on this topic.

The Clean Truck Partnership

Background

Pursuant to EPA Clean Air Act waivers, CARB promulgated several regulations concerning greenhouse gas emissions from medium- and heavy-duty trucks with internal combustion engines.

These regulations “required truck and engine manufacturers to sell and promote certain percentages of zero-emission trucks in California” and “imposed stringent emissions standards” on internal combustion engine trucks, according to the FTC. This had the effect of “reducing supply and increasing prices” for heavy-duty trucks in California.

In July 2023, CARB entered into the Clean Truck Partnership with four major truck manufacturers: Daimler Truck North America LLC, International Motors LLC, PACCAR Inc, and Volvo Group North America LLC.

The President signed Congressional Review Act resolutions in June 2025, disapproving CARB’s EPA waivers. This, according to the FTC, rendered the CARB regulations unenforceable, nullified the regulatory basis for the Clean Truck Partnership and removed any potential state action or *Noerr-Pennington* antitrust immunity.

Antitrust Concerns Raised by the FTC

- The FTC determined that the companies control in the aggregate approximately 99% of the U.S. heavy-duty truck market.
- The caps on sales and emissions limits would have the effect of reducing output of products in the market. These caps would continue under the agreement even if the CARB regulations were unenforceable. The FTC labelled this a “Dead Hand Provision” that could not be modified by the legislature or voters.
- The prospect of a competitor enforcing the agreement’s restrictions against a rival as provided for by the partnership could reduce manufacturers’ “incentive and ability to compete unilaterally and freely.”
- The agreement was a “single document signed by all the significant competitors.” This “is decidedly different than a traditional regulation imposed by a politically accountable state regulator in accordance with the dictates of a clearly articulated state policy.”

Resolution: Written Commitments from the Four OEMs and Trade Association

In letters to the FTC, the manufacturers stated that none of them has attempted or will attempt to enforce the Clean Truck Partnership; the agreement was rendered unenforceable by the CRA resolution; there is no obligation of continued adherence to the agreement; and each manufacturer will act independently in selling heavy trucks, disregarding the agreement’s restrictive terms.

Action Item

Chairman Ferguson issued a [statement](#) joined by Commissioners Melissa Holyoak and Mark Meador. According to that statement, “the Clean Truck Partnership is an example of companies agreeing to eliminate competition and reduce output under the guise of Environmental, Social, and Governance (ESG) objectives. . . . ESG collusion by competitors threatens the exact harm the antitrust laws are intended to prevent: higher prices, diminished quality, and less choice.”

In light of this, companies involved in sustainability initiatives alongside governmental entities and competitors should consider potential antitrust risks, including whether the nature of the arrangement might preclude the availability of antitrust immunity.

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This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

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