

September 16, 2022

Maryland Commission on Climate Change
Greenhouse Gas Mitigation Working Group
1800 Washington Blvd.
Baltimore, MD 21230

RE: Multi-State Medium- and Heavy-Duty Zero-Emission Vehicle Action Plan and Climate Change Commission Recommendations

The Maryland Motor Truck Association (MMTA) is a non-profit trade association that has represented the trucking industry since 1935. In service to our 1,000 members, MMTA submits the following comments for consideration by the Maryland Commission on Climate Change in response to the Multi-State Medium- and Heavy-Duty Zero-Emission Vehicle Action Plan, which was facilitated by the Northeast States for Coordinated Air Use Management (NESCAUM).

Over the last 15 years, emissions from medium- and heavy-duty vehicles have been dramatically reduced. That success has been based on a multi-faceted strategy that included **federal** mandates and voluntary measures backed by financial incentives to assist companies with the adoption of cleaner technologies to help reduce air pollution and greenhouse gases (GHGs) associated with the transport of goods. As a result of those efforts:

- Since 2010, emissions from new heavy-duty diesel trucks have been reduced by 98% for NOx and particulate emissions. Maryland is recognized as a leader in this arena, ranking 9th in the adoption of these newest generation vehicles equipped with particulate traps and selective catalytic reduction systems.
- Phase 1 of U.S. Environmental Protection Agency's greenhouse gas reduction plan has lowered GHGs by approximately 23% when compared to a truck manufactured in 2010.
- Currently EPA is in Phase 2 of its plan, with three rounds of increasingly stringent federal engine and vehicle GHG emissions standards implemented through 2027.
- By 2027, commercial trucks will further reduce fuel consumption and greenhouse gas emissions by an additional 25%.
- EPA's Clean Trucks Plan is expected to be finalized later this year and further reduce NOx, PM and GHG emissions from heavy-duty trucks beginning in 2027.
- By 2024 EPA is expected to finalize a GHG Phase 3 program for heavy-duty trucks that further reduces GHG emissions and establishes a national zero-emission truck program starting in 2030.

The trucking industry is *fuel neutral*; however, we must have access to a readily available, affordable, and reliable fuel supply. This means:

- There must be no negative impacts on our operations or equipment. According to a January 2022 CALSTART report, over 60% of the zero emission trucks that have been deployed in the United States are believed to currently be non-operational.
- The fuel supply must be reasonable in cost and marketplace ready.
- There must be no disruption in availability of supply that prevent us from delivering the goods that people need. Trucking is a non-discretionary user of the highways, delivering the food, clothing, medical supplies and other goods citizens need in support of the manufacturing, agricultural, and retail industries. In Maryland, 93% of communities are solely dependent on trucks to get their goods.

MMTA believes the NESCAUM report presents a realistic snapshot of the many resource, funding and staffing challenges that need to be addressed in the transition to zero-emission trucks. However, the Association **does not support any effort that creates a state-by-state patchwork of rules** for our industry. This includes efforts to establish a state ZEV sales mandate or fleet purchase mandate. Among the recommendations that **MMTA supports** include:

- **The need for massive investments in the electric grid to support ZEV charging.** We have seen the need for these investments around the world. For example:
 - California – In late August/early September the state issued a Flex Alert where it asked ZEV owners to curb charging vehicles during peak periods from 4 p.m. to 9 p.m. due to tightening available power supplies.
 - China – Also in August, the Chinese government initiated charging restrictions that included the closure of hundreds of charging stations during peak periods from 8 a.m. to midnight.
 - Illinois – Specifically to trucking, a motor carrier operating a terminal along I-80 in Joliet, IL (a major trucking/rail hub) planned to outfit its terminal for 150 electric vehicles. The city denied its application because the grid could not support it.

Without the grid infrastructure investments needed first, any effort to transition to ZEVs in the trucking industry – either through mandates or voluntarily – will be impossible to achieve. As those investments occur, there is a need to align any ZEV considerations with the availability of renewable electricity. While CO₂ emissions are not directly released by ZEVs during operations, they are emitted during the production of fuels (e.g., electricity), and also in the production and disposal of ZEV vehicles and their batteries.

Other strategies in the NESCAUM report that MMTA supports are:

- **The need for private investment in infrastructure.** Government cannot provide the levels of spending needed to develop the charging infrastructure required for the long-haul trucking sector to transition to ZEVs. Private sector investment – including from the truck equipment manufacturers (who are spending billions on vehicle development) – must be part of the equation.
- **Establishing an information “gatekeeper”.** Companies need a single source to reduce the learning curve, discuss needs such as availability, technical assistance, incentives, infrastructure, charging, etc. and ease the adoption of ZEVs. MMTA has seen other initiatives (e.g. military recruitment) fail because of a fragmented, disjointed process.
- **Establishing sustainable sources of funding to cover a portion of the costs of transition.** Recently one MMTA member put in an order for two electric truck-tractors. The increased cost of those two vehicles was \$300,000 each, including a single charging station outfitted with two chargers. In California, financial incentives for ZEV tractors are as high as \$200,000 each. The trucking industry is made up of small businesses - 90% of companies operate six trucks or fewer. These companies cannot afford the conversion to ZEV without substantial financial assistance.
- **Recognition of the lost payload capacity and need for weight increases.** The additional weight of an electric truck will add approximately one new truck on the road for every six loads to deliver an equal amount of freight. The federal government recognized this by allowing increased weights of 2,000 lbs. for ZEVs on the Interstate system; however this is insufficient and also offers no benefit unless states take similar actions for trucks traveling on state or local roadways.

As previously noted, MMTA does not support any effort that creates a state-by-state patchwork of rules, such as:

- **CA ZEV sales mandate** – requires an increasing percentage of trucks sold in the state to be ZEV, with financial penalties for manufacturers who fail to meet those targets.
 - In the automobile sector we have seen how the artificial sales targets established have been unachievable. While ZEV light-duty sales are certainly growing in Maryland, the state remains far from achieving its goal of 300,000 by 2025 and the goal of 60,000 by 2020 has already been missed. In comparison, California mandates that by 2035, new ZEV truck sales would range from 40% to 75%. In Maryland today, less than 3% of the light-duty vehicles registered are ZEV. The trucking industry is where the auto industry was 15 years ago.
 - Maryland is a pass-through state for trucking. Due to our small geographic size, most of the heavy-duty trucks on our roadways originated from another state and are destined for a location outside of Maryland. The passage of a sales or purchase mandate will only burden local motor carriers while most of the trucks running through the state do not have to comply.

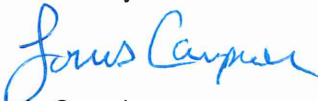
- **CA fleet purchase mandate** – would require fleets operating in the state to replace diesel or gasoline powered trucks by mandating that an increasing percentage of their fleet be ZEVs.
 - This regulation has not been finalized. It is almost certain to be the subject of a lawsuit. MMTA believes it would be premature for Maryland to consider its adoption at this time.

Because of its interstate operations, MMTA believes that the U.S. EPA's Clean Trucks Plan and GHG Phase 3 program should take precedence by establishing a national standard for low emission vehicles and ZEV development. However, should the Maryland Climate Change Commission choose to incorporate some of the NESCAUM report recommendations, **MMTA offers the following suggestions:**

- Government fleets should be transitioned first. Agencies must lead in the adoption of these vehicles before any mandates on the private sector are implemented.
- Massive infrastructure investments, including large-scale increases in the number of truck parking spaces, must occur. Numerous reports have identified the severe shortages in available parking spaces, let alone those that are equipped with charging devices.
- Substantial financial incentives that include tax credits, rebates, loans, and vouchers are needed to assist motor carriers with purchasing costs. If Maryland wishes to mirror California's mandates, the state should offer similar financial support.
- Maryland should separate its plans for medium-and heavy-duty vehicles. They are operationally much different. There are also many more medium-duty trucks than heavy-duty registered in in the state. For example:
 - Medium-duty vehicle registrations as of June 2022 (GVWR 8,500 to 26,000 lbs.) = 136,600
 - Heavy-duty vehicle registrations as of June 2022 (GVWR over 26,000 lbs.) = 26,200.
- Any mandate should have a mid-course review to provide opportunities to revisit the goals.
- Any mandate should be tied to the development of public and private charging stations. The American Transportation Research Institute is currently developing a state-by-state analysis of the number of charging stations that will be required as part of a transition to ZEV trucks.
- Maryland should consider a wider range of options to reduce greenhouse gas emissions beyond ZEV approaches and the NESCAUM report. The expanded use of natural gas and biofuels can deliver important GHG reductions in the near term and continue to meet the operational needs of the trucking industry without the major infrastructure investments that other fuel sources require. Likewise, accelerating the turnover of the oldest vehicles in the existing fleet to the newer generation of advanced diesel technology can provide immediate emissions reductions at far lower cost.

There are groups that believe we will never have widespread adoption of electric trucks. There are others who think it can be done in just a few years. The truth is likely somewhere in the middle. However, a comprehensive and coordinated strategy between the federal government and the states is required to ensure successful deployment. We cannot afford to do this improperly, otherwise people will not get the food, medicine and basic supplies needed in everyday life.

Submitted by:



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