



September 4, 2024

Her Excellency Maura Healey, Governor
Office of the Governor
State House, Room 280
Boston, Massachusetts 02133

Dear Governor Healey:

On behalf of the Massachusetts trucking industry, which employs slightly over 128,000 residents across more than 33,000 businesses, delivers 93 percent of all goods transported in the state and serves as the backbone of the state's economy, and the Massachusetts State Automobile Dealers Association (MSADA) which represents approximately 20 percent of Massachusetts's retail economy and employs over 25,000 individuals, we are writing to express our concerns regarding the aggressive mandates set to be implemented as of January 1, 2025, under the Advanced Clean Truck (ACT) rule.

In accordance with Mass. Gen. Laws Chapter 111, §142K, Massachusetts adopted the emissions standards established by the California Air Resources Board (CARB). Specifically, CARB approved the ACT rule in June 2020, which Massachusetts adopted in 2021. The ACT rule requires that manufacturers sell an increasing number of zero-emission medium- and heavy-duty vehicles (MHDs), greater than 8,500 pounds GVWR, from 2024 to 2035. In addition to adopting the ACT rule, Massachusetts has also adopted the heavy-duty omnibus rule (HDO), which aims to substantially reduce toxic air pollutants from heavy-duty vehicles. Massachusetts is only one of *three* states implementing both the ACT and HDO at the same time effective January 1, 2025

The Trucking Association of Massachusetts (TAM) and MSADA support the implementation of technology and practices that will reduce and, eventually, eliminate emissions from the transportation sector. Unfortunately, technology and infrastructure improvements have not kept pace with the ACT/HDO rules. This means that unless we delay implementation of the ACT/HDO rules, the shared goal of significantly reducing emissions by our industries, government, and advocates will fail – largely due to major logistical and technological roadblocks outside of our control. In addition, based on the unfolding California experience, small business dealerships for medium- and heavy-duty trucks will be significantly harmed by the rule as they will be unable to comply with the required sales mandate – again, due to issues beyond their control. This will have a ripple effect on state and local government, private industries of all kinds, and, most importantly, residents of the Commonwealth.

To this end, please consider the following:

- **Lack of Charging Infrastructure:** The lack of available charging infrastructure for electric vehicles is well known for passenger vehicles, as are concerns about long-distance battery viability. For trucks, these concerns are even more pronounced, as the vehicles are heavier and travel longer distances much more frequently. Moreover, truck drivers are federally mandated

to take rest breaks, meaning charging infrastructure must be convenient, reliable, and accessible for all. Regrettably, Massachusetts, as well as other states, has not made enough progress on building out a network of public or private charging stations for commercial vehicles. The lack of infrastructure means that it can take up to ten hours to charge a long-haul electric truck versus fifteen minutes to fuel a comparable diesel truck. This is a primary disincentive for trucking companies that may otherwise be interested in purchasing electric vehicles, thus creating a near impossibility for dealers to comply with the sales requirements of the ACT. No one will purchase a medium- or heavy-duty truck if they cannot reliably charge the same.

- **Cost and Lack of Equipment Availability:** Today, the average cost of a new, clean-diesel commercial truck is between \$180,000 and \$200,000. Compare that to the cost of a battery-electric truck, which is nearly \$500,000. In addition to the significant differential in cost, it currently takes an average of eighteen months from the time an electric truck is ordered to the time it can be delivered to the customer. The purchase of these vehicles is more in line with a long-term project rather than a vehicle transaction. Unfortunately for our dealers, the lack of available ACT/HDO compliant engines, combined with a lack of charging infrastructure, provides another significant disincentive for fleets to purchase battery-electric trucks at this time. Simply put, many entities, if they can afford to purchase a compliant vehicle, cannot purchase a truck that is not available for purchase. Please note that this does not just affect private fleets; state agencies, like the Massachusetts Department of Transportation (MassDOT), and municipalities face the same impediment to buying these needed medium- and heavy-duty trucks.
- **Loss of Sales Tax Revenue:** As the deadline for complying with the ACT / HDO rules approaches, the sales of new trucks will subsequently decline, and Massachusetts will see a substantial drop in sales tax collections from the sale of new trucks. Given Massachusetts' current tax revenue fluctuations, this is not a desirable outcome. For example, many new dump trucks sell from \$275,000 to \$300,000. If a private fleet owner can even find a truck to purchase, the aforementioned purchase creates approximately \$17,000-\$19,000 in sales tax on one new truck depending on where that truck gets registered. This does not include related registration fees if the truck is registered in the Commonwealth. However, given the lack of compliant medium- and heavy-duty vehicles and a lack of infrastructure to support the same, fleet owners will simply hold onto their older, dirtier trucks for longer, meaning the Commonwealth will forego new sales tax revenue.

Again, TAM and MSADA support the reduction in emissions from the transportation sector. The need to move the upcoming deadline for ACT/HDO rules in Massachusetts is simply a situation where technology and infrastructure have not advanced as fast as everyone expected when these rules were originally adopted. A delay is not a retreat from attaining a zero emissions solution; it reflects reality. No responsible fleet manager – public or private – will buy an electric medium- or heavy-duty truck when there is no infrastructure to support the same, not enough personnel to fix the technology laden motor vehicle, or the cost is significantly more than a diesel-powered truck, even with incentives. As the Commonwealth continues to move forward to implement the standards required under ACT and HDO, a series of actions need to advance as well.

If we do not take a coordinated approach – or if zero-emission mandates are pushed too aggressively, too soon, on a poorly thought-out plan – there will be significant implications to our supply chain which will lead to increased costs and higher inflation. Further, unless dealers can meet the zero-emission sales mandate, they are limited in the ability to sell new clean diesel-powered vehicles due to the manufacturers' zero emissions targets established under the ACT. Finally, given the potential for a loss of jobs and state revenue as in-state dealers look at their out-of-state options as has occurred in California,

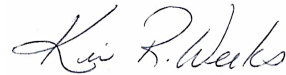
the Commonwealth's adherence to this too soon deadline will probably have a more deleterious impact than ever intended. In fact, California, which began implementing these same rules earlier this year, has seen a significant reduction in new Class 8 vehicle registrations for every type of vehicle - electric or otherwise - at a rate that far exceeds the already declining national average. Without options for purchasing, supporting, or maintaining electric and other compliant medium- and heavy-duty trucks, Massachusetts' upcoming deadline will have the same, counter intuitive impact of keeping older, dirtier diesel vehicles on the road.

Accordingly, we respectfully request that there be a delay in enforcement of the ACT/HDO rules in Massachusetts until 2027, when the CARB emissions standards align with those established by the United State Environmental Protection Agency. Until such time as the vehicle technology and the infrastructure to support these two rules are available, we risk harming multiple industries throughout the Commonwealth while stagnating forward progress on further reducing emissions from medium- and heavy-duty trucks. We would welcome the opportunity to discuss these issues with you and your staff at your convenience so that we can help Massachusetts become as green as possible now and in the long term.

Sincerely,



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Cc:

Ms. Rebecca Tepper, Secretary
Massachusetts Executive Office of Energy and Environmental Affairs

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