

The Honorable Michael Regan, Administrator
U.S. Environmental Protection Agency
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Cc: Joseph Goffman, Acting Assistant Administrator, Office of Air and Radiation (OAR)
Sarah Dunham, Director, Office of Transportation and Air Quality (OTAQ)
Alejandra Nunez, Deputy Assistant Administrator for Mobile Sources, Office of Air and Radiation (OAR)
Bill Charmley, Director Assessment and Standards Division, Office of Transportation and Air Quality (OTAQ)

Dear Administrator Regan:

As Section 177 States, we are writing to urge the EPA to adopt the ACT-aligned option that is currently offered in the proposed heavy-duty vehicle Phase III Greenhouse Gas (GHG) standards.¹ We believe that the Phase 3 Rulemaking has the clear potential to be the most impactful rule the EPA has considered in years. As states that have already adopted or are anticipating the adoption of California's Advanced Clean Trucks (ACT) regulation², we believe a federal equivalent is not only possible, but essential. If designed to build on actions by states as well as federal funding incentives, the rule will protect countless communities, reduce our use of petroleum, save consumers money, and address climate change for decades to come.

Nationwide standards that match the ACT penetration rates will provide a critical market signal to both vehicle manufacturers and infrastructure providers on the scale and timing needed for deploying vehicles, charging infrastructure, and providing interconnection. Zero emission vehicles have now reached technology readiness in all key applications, with hundreds of models already in early production globally, including the first longer haul Class 8 trucks.³ Positive total cost of ownership (TCO) is emerging in several applications by 2025 and in most by 2030.⁴ We believe sending strong market signals for the longest period possible is critical to reduce investment risk and we support the rulemaking proposal's coverage between now and 2032; but further encourage EPA to consider sending a strong signal of the path beyond 2032.

This timing is critical to act strongly now because the Bipartisan Infrastructure Law (BIL) and the Inflation Reduction Act (IRA) are bringing unprecedented levels of funding for infrastructure and vehicles over the next decade. The integrated magnitude of the commercial vehicle tax credits in particular is dependent on purchaser choices to employ them—a situation where strong immediate EPA leadership can materially increase the total financial sum at play and attract the kinds of innovative business models and financial instruments making those increased benefits accessible across the most fleets and end users. As noted in our March 2023 letter⁵, climate change is an urgent problem demanding immediate action. With increasing examples of how climate change is already harming human health and the environment, and progressively sobering reports on how the harm will increase over time, additional actions are paramount if we are to limit the most severe impacts – much of which will be disproportionately borne by those least equipped to adapt. We are at a unique point in history—rapid technological innovation with hundreds of US commercialized zero emission truck models currently available provides a generational opportunity to catalyze the transition of the heavy-duty transportation sector to zero emission vehicles. This is one of the most significant opportunities you will have as EPA's Administrator to improve public health in the United States and abroad, delivering benefits for generations.

¹ <https://www.epa.gov/regulations-emissions-vehicles-and-engines/proposed-rule-greenhouse-gas-emissions-standards-heavy>

² <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-trucks>

³ <https://globaldrivetozero.org/tools/zeti-data-explorer/>

⁴ <https://rmi.org/inflation-reduction-act-will-help-electrify-heavy-duty-trucking/>

⁵ Submitted March 7, 2023.

Throughout the country, mobile sources and the fossil fuels that power them are the largest contributors to the formation of ozone, greenhouse gas emissions, fine particulate matter (PM2.5), and toxic diesel particulate matter. Without transforming the heavy-duty sector to zero emission everywhere possible, we cannot fully protect communities, meet our greenhouse gas reduction commitments, or achieve (or maintain) our health-based air quality standards.

The stage has been set for transforming the heavy-duty truck sector. To date, 17 states, the District of Columbia and the Province of Quebec have entered into a Medium-and Heavy-Duty (MHD) ZEV Memorandum of Understanding⁶ with the goal to make at least 30 percent of all new MHD vehicle sales zero emissions by no later 2030. In July 2022, the signatories released a Medium and Heavy-duty ZEV Action plan⁷ including policy options to foster a self-sustaining market for zero-emission MHD vehicles with a focus on near-term strategies.

As states who have adopted or are anticipating the adoption of ACT, we recognize the importance and need for parallel progress as it relates to ZEV infrastructure readiness. While infrastructure remains a real near-term challenge – it does not need to be a long-term barrier. A recent ICCT study⁸ shows that infrastructure can scale for zero emission vehicles at a pace that meets and exceeds a national ACT-aligned standard. Consistent with the MHD ZEV Action plan, several programs are currently being administered by local and state agencies to catalyze the deployment of zero-emission transportation technologies that include Make Ready investments, point-of-sale ZEV truck purchase rebates⁹, and charging infrastructure incentives.

We urge EPA to finalize a strong Phase 3 heavy-duty GHG rule that includes requirements to produce zero emission trucks at levels at least as ambitious as the ACT rule. Doing so will send a clear signal to the market, support our states' efforts, and recognize the unique opportunity to significantly improve air quality in our most overburdened communities and respond to the climate challenge.

Sincerely,



Liane Randolph
Chair
California Air Resources Board



Will Toor
Executive Director
Colorado Energy Office



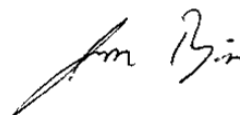
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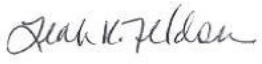
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⁶ <https://www.nescaum.org/documents/multistate-truck-zev-mou-media-release-20200714.pdf>

⁷ <https://www.nescaum.org/documents/multi-state-medium-and-heavy-duty-zev-action-plan.pdf>

⁸ <https://theicct.org/publication/tco-alt-powertrain-long-haul-trucks-us-apr23/>

⁹ <https://calstart.org/voucher-incentive-programs-2023/>



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