



May 17, 2022

California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Major Businesses Support a More Ambitious Advanced Clean Cars II Standard

Dear Chair Randolph and CARB Board members,

As major businesses, institutions, healthcare systems, employers, and investors with over \$304 billion in assets under management, we represent a diverse coalition with operations, facilities, and interests across U.S. states. **We strongly support an ambitious Advanced Clean Cars (ACC) II program that accelerates electric vehicle deployment and ensures requisite emission reductions from internal combustion engine vehicles at the pace and scale that the climate and public health crises demand.** Adopting strong vehicle standards is necessary and feasible and doing so will generate significant climate, economic, and public health benefits across the country.

Climate change poses a significant risk to our long-term economic success, threatens the health and livelihood of the communities in which we operate, and disrupts the value chains on which we rely. Because of these risks, we are making ambitious commitments to reduce our greenhouse gas (GHG) emissions and invest in clean technologies.¹ The transportation sector is currently responsible for the majority of GHG emissions in the U.S. and its impact on the climate continues to grow. Transportation of people, goods, or services represents a substantial component of each of our carbon footprints and a major cost for our supply chains. We are counting on strong policies to help us meet our own climate and air quality goals, while delivering public health and economic benefits for our communities and employees alike.

For businesses and institutions, zero-emission vehicles – particularly battery electric vehicles – offer significant benefits. By transitioning to zero-emission vehicles, we can reduce operational costs through lower fuel and maintenance costs, avoid risks associated with the volatility of fossil fuel prices and supply, enhance our company reputations, and improve workforce recruitment and retention. An ambitious ACC II that creates a supply of zero-emission vehicles to meet our demand will accelerate our transition to zero-emission vehicles and encourage economies of scale that will help bring down costs and set the stage for further economic development such as electric vehicle charging infrastructure. By spurring local innovation and investment in clean technology manufacturing, ACC II will help to develop a more energy-efficient economy, create new jobs, cut costs for our value chains, and mitigate climate risk.

ACC II will also improve public health and reduce health costs in our communities. More than 40% of Americans—over 135 million people—are living in places with unhealthy air pollution that threatens lung and respiratory health.² And the burden of GHG emissions from transportation is disproportionately borne by low-income and communities of color. Strong policies that result in improving air quality and access to cleaner transportation are critical for improving public health, addressing inequities, and preventing further economic strain. Reducing respiratory illness, missed days of work, and hospitalizations will lead to more disposable income for individuals and families and help reduce the financial pressure on our healthcare system. As the commercial vehicles in our fleets and value chains as well as our employees' personal vehicles cross state lines, these impacts will extend beyond the states where we operate. New research shows that combined with a 90%

¹ Nearly half of all Fortune 500 companies have set goals to reduce GHG emissions, procure renewable energy, and invest in energy efficiency, see: <https://www.ceres.org/resources/reports/power-forward-3>; More than 280 companies have made a commitment to go 100% renewable, see RE 100 companies: <http://there100.org/companies>; and more than 1,000 companies globally, including over 200 headquartered here in the US, are or have set comprehensive science-based targets for greenhouse gas emissions reductions, see: <https://sciencebasedtargets.org/companies-taking-action/>.

² "2021 State of the Air Report: Key Findings," American Lung Association, April 2021, <https://www.lung.org/research/sota/key-findings>.

clean energy grid, electrifying all new cars and trucks by 2035 would prevent 150,000 premature deaths and avoid \$1.3 trillion in environmental and health costs through 2050.³

An ambitious ACC II program that drives investments and greater model introductions throughout the U.S. is necessary and feasible. Manufacturers met ACC I targets three years early. Battery costs have decreased, vehicle range continues to increase, and manufacturers are releasing electric models faster than anticipated. Section 177 states that have adopted ACC I represent a third of U.S. car sales, and this has had a significant impact on the market, sending strong signals and providing regulatory certainty to manufacturers. As more states adopt ACC II, the benefits to the market will only expand, and we will see reduced costs and increased availability of clean cars. And by maintaining leading standards, U.S. states can compete for private investment in a global market where demand for electric vehicles is rising every day.

As businesses and institutions, we are making significant commitments to reduce our GHG emissions and protect the health and economic well-being of the communities in which we live and operate. However, these commitments alone will not be enough to meet our shared climate goals. With no equivalent federal policy at this time, expeditious and ambitious state action is imperative. In fact, for Section 177 states, policies such as ACC II are the primary path for achieving their climate and clean air goals. We are counting on bold action by state leaders to cut deadly climate and air pollution, unlock a zero-emission and low-emission vehicle market, create good jobs, and ensure the global competitiveness of the U.S. economy. **As a diverse coalition representing footprints in 36 states, we strongly support California adopting the most ambitious standards for its ACC II rule, which will serve to accelerate vehicle electrification across states.**

Sincerely,

**Arapahoe Basin Ski Area
Aspen Skiing Company
Avocado Green Brands
Ben & Jerry's
Boston Common Asset Management
Clif Bar & Company
Congregation of Sisters of St. Agnes
Crystal Mountain
Dignity Health
Domini Impact Investments
DSM North America
ECOS
Everence and the Praxis Mutual Funds
Figure 8 Investment Strategies LLC
First Affirmative Financial Network
Florida for Good
Friends Fiduciary
Grove Collaborative
Hemp Ace International
IKEA USA
Impax Asset Management LLC
Law Office of Lara Pearson Ltd PBC**

**Legacy Vacation Resorts
Lime
Lyft
Miller/Howard Investments
Mountain Gear
New York City Office of the Comptroller
Northwest Coalition for Responsible Investment
Numi Organic Tea
Peak Design
Province of St. Joseph of the Capuchin Order –
Corporate Responsibility Office
Region VI Coalition for Responsible Investment
Salt Palm Development
Seventh Generation Interfaith Inc.
Sierra Nevada Brewing Co.
Ski Butlers
Sustainable Advisors Alliance LLC
Trillium Asset Management
TripZero
Unitarian Universalist Association
WR Consulting, LLC**

³ "2035 Report: Transportation," Goldman School of Public Policy, University of California Berkeley, April 2021, <https://www.2035report.com/transportation/>.