



Advanced Clean Truck Regulation – Oral Statement, CARB Board Meeting, June 25, 2020

My name is Dawn Fenton and I am the Vice President, Government Relations and Public Affairs for Volvo Group North America.

The Volvo Group supports the goals of CARB's advanced clean truck regulation. We're confident in our ability to manufacture sufficient numbers of ZEV trucks, but we doubt the market's readiness to absorb the volumes proposed in this regulation.

As you may know, the Volvo LIGHTS project in southern California includes the commercial operation of 23 Class 8 Battery-Electric pilot trucks, all necessary charging infrastructure, the state's first public charging station for heavy duty trucks, and many other elements to make this a true zero emission freight transport project. We've also committed to a commercial launch of these vehicles in conjunction with the project by early 2021.

On June 18, Volvo Trucks issued a press release on behalf of the Volvo LIGHTS project partners, announcing the first truck deployment and completion of the first charging infrastructure location. Although the initial five Volvo VNR electric pilot trucks were test driven by attendees at the Volvo LIGHTS Technology Showcase on Feb. 11 in Fontana, our fleet partners have had to delay deployment of the trucks into service, due to multiple charging infrastructure delays. In spite of the challenges posed by COVID-19, we applaud the LIGHTS team for continuing to advance the project agenda.

Since the Board's last consideration of the ACT regulation on Dec. 12, many of us have faced devastating health and economic ramifications from the COVID-19 pandemic. Globally, the Volvo Group halted production for weeks, furloughed and laid off thousands of employees, and significantly cut product development budgets.

Likewise, the state of California has shifted from having an expected \$26 billion budget surplus to an estimated \$54 billion deficit. Quarterly carbon auction revenue has also plummeted which will likely preclude sufficient HVIP funding to support early year ZEV truck sales.

At a national level, truck purchases are expected to plummet more than 50% this year, and lagging recessionary conditions will prevent fleets from buying the ACT's expected electric truck volumes in California.

As a result, Volvo Group North America believes a provision should be incorporated into the regulation to ensure truck manufacturers aren't deemed non-compliant for not reaching vehicle sales totals beyond those which can be achieved with limited, disconnected public funding for vehicles and infrastructure, as well as the long lead times for the charging infrastructure installation.

The Volvo LIGHTS project has provided valuable insight into how to build realistic project timelines and cost estimates for charging infrastructure, and we ask CARB and other state agencies to incorporate lessons from all its ZANZEFF-funded projects into the regulation.



CARB has successfully steered California's clean air agenda for many decades and must continue to pave the way for an ACT Rule that delivers real-world success, rather than unrealistic aspirations, to avoid inadvertent detrimental impacts on California's environment and economy, as well as the broader heavy-duty vehicle market.