

October 20, 2023

Good Morning,

My name is Adam VanderBee, and I am the Regional Sales Director for the Central Region of TEC Equipment. TEC Equipment is the largest dealership group, by rooftop, on the West Coast. We are an authorized distributor of multiple brands, but primarily Volvo, Mack, Hino & Isuzu. I appreciate today's opportunity to speak on behalf of my organization with the concerns that we have over the devastating impacts of the Low NOx Omnibus regulation.

Before I start, however, I think it is important to state that we are fully supportive of reducing emissions in California and have already begun the multi-million-dollar process of preparing our Dealerships and internal vehicle fleets for the Zero Emissions ramp-up. We were the first Mack and Volvo dealer to deliver a battery electric vehicle to customers in California, and to-date, we have delivered over 150.

To reiterate, our concern is not over the steady migration to Zero Emissions technologies, it is the velocity of which we are being pushed to get there; particularly as it relates to the Low NOx Omnibus requirement. Prior to the ruling, our engine manufacturers were working towards the development of a new Low NOx engine to align with the EPA mandate in 2027. With the pull-forward of that date by CARB to 2024, it became impossible for the manufacturers to reach the requirement mechanically.

The Clean Truck Partnership appeared to be a viable solution for both sides, but the credit-banking component still makes it virtually impossible to comply over the next three years. It will be a matter of years, not months, before our engine manufacturers have a viable, reliable, and affordable .05g diesel engine that is considered carbon neutral. They ARE offering a .1g motor next year, but the carbon offset essentially requires us to sell one electric vehicle for each diesel vehicle in CA.

The unfortunate reality is that Class 8 battery electric vehicles are in their infancy stages of development and adoption. In 2022 there were 14,828 Class 8 registrations in California. In 2022, there were 173 Class 8 BEV registrations NATIONWIDE. The availability of materials to produce these energy-dense batteries continues to be a major bottleneck of production and a driver of unrealistic costs. Today's battery electric vehicle is, on average, 3x more expensive than a traditional diesel tractor. Aside from the cost, it has a weight of up to 4 tons more than a diesel, and a realistic range that is 5x less. Unfortunately, we are not at the point where it can be offered as a suitable replacement for a diesel.

Aside from the limitations just mentioned, we remain at an impasse with charging infrastructure availability. Those that are able to afford a battery electric rig are stunned to find out that it will be 24-36 months before the necessary power can be brought to their facility to meet the energy needs.

80% of our customers are small fleets that purchase 1-2 trucks per year and rely on our dealer inventory for their replacement needs. Come Jan 1, 2024, we will be in the unenviable position of advising them

that we do not have any trucks to sell them, because we simply cannot afford to order/sell one battery electric rig for every diesel. We are already advising our customers of this restriction in advance. When faced with this sobering reality, their only options are either to move their operations outside of the state or continue to run their existing equipment to the end of its useful life. The former removes a tax base from the state, and the latter ensures that less fuel efficient, more polluting engines stay on the road longer. Unfortunately, there is a large subset that simply cannot afford to do either. They will merely go out of business. It will be the disadvantaged and independent operators affected first, but large fleets will not be immune.

We hope that you would at the very least consider .1g NOx as a present acceptable level for carbon neutrality. This at least gives us some opportunity to serve our CA customers next year, in contrast to being completely shut out of the market.

Thank you for your time and consideration,



Adam VanderBee
Regional Sales Director – Central Region