

**STATE OF CALIFORNIA  
AIR RESOURCES BOARD**

**Proposed Advanced Clean Fleets  
Regulation; Modified Text**

)  
)

**Hearing Date:  
October 27, 2022**

**COMMENTS OF THE  
TRUCK AND ENGINE MANUFACTURERS ASSOCIATION**

April 7, 2023

Timothy A. Blubaugh  
Truck & Engine Manufacturers Association  
333 West Wacker Drive, Suite 810  
Chicago, IL 60606

**STATE OF CALIFORNIA  
AIR RESOURCES BOARD**

<b>Proposed Advanced Clean Fleets Regulation; Modified Text</b>	)	)	<b>Hearing Date: October 27, 2022</b>
---	---	---	---

The Truck and Engine Manufacturers Association (EMA) hereby submits comments on the modified text for the proposed Advanced Clean Fleets (ACF) regulation that the California Air Resources Board (CARB) released on March 23, 2023. Included was modified text for the proposed regulation to terminate CARB’s Advanced Clean Trucks (ACT) rule and replace it with a regulation that would require manufacturers to sell only zero-emission vehicles (ZEVs) in California.

EMA is a trade association that, among other things, represents the interests of the world’s leading manufacturers of medium- and heavy-duty vehicles, internal combustion engines, and zero-emission powertrains. EMA and its members have worked constructively and successfully with policymakers over several decades to consequentially reduce the pollutant and greenhouse gas emissions from engines and traditional commercial motor vehicles. Looking forward, we recognize that ZEVs are the future of the commercial vehicle industry, and therefore EMA member companies are investing tens of billions of dollars to develop and bring to market medium- and heavy-duty ZEVs that will meet the industry’s needs.

EMA member companies are subject to the existing ACT regulation and would be subject to the proposed 100 percent ZEV sales requirements, and they correspondingly have a strong interest in the ZEV purchase requirements in the proposed ACF rule that would support those sales mandates. Accordingly, EMA and its members have a direct and significant stake in the subject rulemaking.

These comments focus on the modified regulatory text for the 100 percent medium- and heavy-duty ZEV sales requirements. Please see our earlier comments on the proposed ACF rule for input on a broader set of issues, including the critical and immediate need to assess the development of the ZEV infrastructures that will be essential to the success of both the ACT and ACF rules. Those comments are available [here](#).

CARB’s ACT rule was fully adopted on March 15, 2021. Beginning with MY 2024, the regulation requires manufacturers of vehicles with a gross vehicle weight rating (GVWR) greater than 8,500 pounds produce and sell into California a percentage of ZEVs, based on the manufacturers’ overall sales of medium- and heavy-duty vehicles in California. The mandated ZEV sales percentages increase annually through model year (MY) 2035. The modified regulatory text for the 100 percent sales mandate in the ACF rule would sunset the ACT regulation at the end of MY 2035 and replace it with a requirement that manufacturers of vehicles with a GVWR greater than 8,500 pounds sell only ZEVs in California beginning with MY 2036. The only proposed exception is that the sales mandate would not apply to “authorized emergency vehicles,” as defined by California Vehicle Code section 165.

The original proposed regulatory text for the 100 percent sales mandate would have arbitrarily required manufacturers to sell only ZEVs beginning with MY 2040. The rationale provided for sunseting the ACT rule and establishing the 100 percent ZEV sales mandate simply was to “send a clear signal regarding the end of [internal combustion engine] powered truck sales in California.” See, Staff Report: Initial Statement of Reasons (August 30, 2022), pg. 3. The Staff Report also stated that the 100 percent mandate “ensures accelerated improvements in the economics of ZEVs and the investments needed to expand the market quickly.” See, Id. The rulemaking record provided no assessment of the technical feasibility of converting all new commercial vehicle sales to ZEVs by 2040, if it will be cost effective for all fleets to purchase only ZEVs beginning in 2040, or if the electricity charging and hydrogen fueling infrastructures needed to power the ZEVs will be in place in time. Further, there was no attempt in the rulemaking record to explain how a one-sided sales mandate would “ensure accelerated improvements in the economics of ZEVs” to make them cost effective for all fleets to purchase and operate, or how such a sales mandate would “ensure accelerated ... investments needed to expand the market.” There is no doubt that growing the medium- and heavy-duty ZEV market requires (i) available ZEV products, (ii) commercial vehicle fleets willing to invest in purchasing the ZEVs, and (iii) sufficient infrastructures in place to power the ZEVs. Any regulatory program that attempts to accelerate the sales of ZEVs in excess of what fleets will purchase, or that outpaces the development of the necessary ZEV infrastructures, unfortunately is an incomplete program that is doomed to fail.

The proposed modified regulatory text for the 100 percent sales mandate would arbitrarily move the effective date up four years and require manufacturers to sell only ZEVs beginning with MY 2036. The rulemaking record attempts to justify the change simply by stating that “[a]ccelerating the 100 percent manufacturer ZEV sales requirements sends a *stronger* market signal indicating the end of the combustion-powered sales in California in 2036 rather than 2040.” See, Notice of Public Availability of Modified Text and Availability of Additional Documents (March 23, 2023), pg. 113 (emphasis added). Like the original proposal, there is no evidence indicating how mandating 100 percent ZEV sales would be feasible or successful. The proposed 2036 sales mandate simply is not supported by any facts on the rulemaking record.

Medium- and heavy-duty vehicles are produced and sold in a wide variety of shapes and sizes, from heavy-duty pickup trucks, parcel delivery vans, school buses, intracity pickup and delivery trucks, construction vehicles, refuse trucks, regional freight tractors, and long-haul tractor-semitrailer combination vehicles. Trucking fleets are businesses that operate on razor thin profit margins, and they will only purchase a new commercial vehicle if it will advance their business and be a profitable investment. If the fleet determines that a ZEV cannot complete the work needed, or cannot complete the work in a profitable manner, the fleet will look for alternatives to keep their business profitable. Manufacturers cannot force fleets to purchase vehicles that will fail to further their business objectives. For those reasons, accelerating the medium- and heavy-duty ZEV market requires simultaneously addressing (i) ZEV products, (ii) fleets’ willingness to purchase the ZEV products, and (iii) the development of the infrastructures needed to power the ZEVs.

The manufacturer sales mandates in the ACT rule will be effective next year. However, before that regulation implements or has been proven successful, the ACF rulemaking is attempting to increase the ZEV sales requirements with the 100 percent sales mandate in 2036. Instead of doubling down on unproven sales mandates, CARB should instead focus on crafting an effective ACF rule that will require purchases of commercial ZEVs in alignment with the sales mandates in the ACT rule. Accordingly, the agency should suspend the rulemaking on the 100 percent sales requirements until such time that sufficient evidence exists to prove that ZEVs can be successfully deployed in all commercial vehicle applications in California.

The regulatory text for the proposed 100 percent ZEV sales requirements is absolute, requiring only sales of ZEV for every medium- and heavy-duty vehicle application, and providing an exemption only for emergency vehicles. At the same time, the proposed ACF rule would require fleets to purchase ZEVs in the same timeframe, but with extensive exemptions. The proposed ACF regulation would exclude (i) small private fleets, (ii) government fleets in non-designated counties, (iii) wastewater fleets, (iv) backup vehicles, (v) daily use vehicles, (vi) mutual aid vehicles, (vii) non-repairable vehicles, (viii) military vehicles, (ix) snow removal vehicles, (x) two-engine vehicles, (xi) school buses, (xii) heavy cranes, and (xiii) emergency vehicles. In those applications, fleets would be permitted to purchase traditional non-ZEV commercial vehicles. Further, the proposed ACF rule would provide extensions to the ZEV purchase requirements for delays in development of the necessary infrastructure. However, the ACT rule imposes on manufacturers rigid sales requirements with essentially no exemptions, and the proposed 100 percent ZEV sales requirements would exempt only emergency vehicles. It is fundamentally inconsistent and illogical to provide extensive exemptions from the ZEV purchase requirements, while not exempting those same vehicles from the sales mandates. Manufacturers simply cannot sell a vehicle without a buyer. The ACF rulemaking clearly recognizes that there are limitations to the utility of ZEVs in some commercial vehicle applications, and it acknowledges that ZEVs cannot be put into service until a suitable charging infrastructure is in place. Accordingly, at the very least, CARB must modify the proposed ZEV sales requirements to provide exemptions aligned with those in the ACF rule.

We look forward to continuing to work with CARB and other stakeholders to successfully transition California's commercial vehicle market to ZEVs. If there are any questions about these comments, or if we could provide any additional information, please do not hesitate to contact Tim Blubaugh at (312) 929-1972, or [tblubaugh@emamail.org](mailto:tblubaugh@emamail.org).

Respectfully submitted,

TRUCK AND ENGINE  
MANUFACTURERS ASSOCIATION