



CALIFORNIA BUSINESS ALLIANCE
FOR A CLEAN ECONOMY



Northwest Coalition for
Responsible Investment



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Region VI
Coalition for
Responsible
Investment



October 11, 2022

California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Major Businesses and Institutions Support an Ambitious Advanced Clean Fleets Rule

Dear Chair Randolph and CARB Board members,

As major businesses, institutions, employers, and investors with over \$304 billion in assets under management, we represent a diverse coalition with operations, facilities, and interests across the U.S. states. **We strongly support an ambitious Advanced Clean Fleets (ACF) regulation that accelerates electric vehicle deployment at the pace and scale that the climate and public health crises demand.** We commend you for developing and adopting the Advanced Clean Truck (ACT) rule in 2020. However, transportation emissions continue to rise in the U.S. and medium- and heavy-duty vehicles (MHDVs) are a major source of air pollution that disproportionately impacts disadvantaged communities. Adopting a strong standard for commercial vehicle fleets 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 U.S. Transportation of people, goods, or services represents a substantial component of each of our carbon footprints and a major cost center 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 (ZEVs) – 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 ACF rule that encourages economy wide MHD ZEV adoption 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. More than 70 major companies, institutions, and investors recognize the benefits of policies that support adoption of MHD ZEVs and are urging governors across the country to adopt the ACT rule.² The ACF rule is a key next step in a suite of policies needed to rapidly electrify the MHDV sector.

The ACF rule will 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

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 “70+ Businesses Call for the Advanced Clean Truck Rule,” Ceres, <https://www.ceres.org/ACT>.

respiratory health.³ 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. Just like the commercial vehicles in our fleets and value chains cross state lines, the benefits of transitioning to ZEV in our fleets will extend beyond state lines. New research shows that combined with a 90% 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 2050.⁴

An ambitious ACF rule that accelerates the adoption of MHD ZEVs in corporate fleets and captures a greater number of vehicles throughout the U.S. is necessary and feasible. Battery costs have decreased, vehicle range is increasing, and manufacturers are releasing more models faster than anticipated. The Section 177 states that have adopted ACT and are expected to adopt ACF account for 20% of the U.S. trucking fleet and counting, sending strong market signals and providing regulatory certainty to manufacturers. As more states adopt the ACF rule, the market benefits of the rule will expand, leading to lower costs and a more stable and self-sustaining market. And by adopting 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, expeditious and ambitious state action is imperative. In fact, for Section 177 states, policies such as the ACF rule 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 vehicle market, create good jobs, and ensure the global competitiveness of the U.S. economy. **As a diverse coalition representing footprints in over 38 states, we strongly support California adopting the most ambitious standards for its ACF rule that will help states across the country to accelerate vehicle electrification.**

Thank you for your time and consideration.

Sincerely,

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Aspen Skiing Company
Avocado Green Brands
Ben & Jerry's
Boston Common Asset Management
Burton
California Business Alliance for a Clean Economy
Clif Bar & Company
Congregation of Sisters of St. Agnes
Crystal Mountain
Dignity Health

Domini Impact Investments
DSM North America
eBay
ECOS
EILEEN FISHER
Etsy
Everence and the Praxis Mutual Funds
Figure 8 Investment Strategies LLC
First Affirmative Financial Network
Florida for Good
Friends Fiduciary

³ "2021 State of the Air Report: Key Findings," American Lung Association, April 2021, <https://www.lung.org/research/sota/key-findings>.

⁴ "2035 Report: Transportation," Goldman School of Public Policy, University of California Berkeley, April 2021, <https://www.2035report.com/transportation/>.

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