

V O L V O

TO: The Honorable William C. Smith, Chair
Members, Senate Judicial Proceedings Committee
Senator Ariana B. Kelly

FROM: Richard A. Tabuteau

DATE: March 6, 2024

RE: **FAVORABLE** – Senate Bill 870 – *Vehicle Laws - Electric Vehicles - Weight Limits*

In Maryland, Volvo Group North America's Hagerstown Powertrain Production facility employs nearly 2,000 people including over 1,400 members of the UAW Locals 171 and 1247 and is the last major automotive manufacturer in the state. The plant develops, manufactures, and tests heavy-duty powertrains, transmissions and axles for its Mack and Volvo trucks as well as Prevost and Volvo buses at its 280-acre campus. Volvo Group also employs more than 60 people at one of its U.S. parts distribution facilities in Elkridge.

Volvo and Mack Trucks are the North American industry leaders in Zero-Emission (ZE) Class 8 truck sales. In 2020, the Volvo Group made a global commitment to having 100% of its product sales being fossil free by 2040, including a nearer term goal of 35% of product sales being zero-emission by 2030. The Hagerstown plant plays a key role in this transition through the manufacturing of all modular power boxes for the Volvo VNR electric and Mack LR electric Class 8 trucks. Mack Trucks also sells an electric refuse truck.

Senate Bill 870 allows plug-in electric drive vehicles and certain other electric vehicles to exceed gross, axle, tandem, and bridge weight limits by up to an additional 2,000 pounds total. The main goal of a truck is to carry freight or what in the industry we call payload. Unfortunately, battery electric trucks lose payload or freight carrying capabilities as batteries consume more of their weight allowance.

The U.S. Congress recognized that alternative fueled trucks deserve payload parity with their diesel counterparts. Initially, an allowance was provided for natural gas vehicles to be increased by 2,000 pounds to ensure this clean fuel did not lose freight carrying capabilities to its diesel counterparts. In 2019, Congress provided this payload parity to the battery electric trucks, which must carry heavy batteries to maintain range. However, the federal Congress only has the authority to provide this payload parity for interstates. Maryland must provide payload parity for intrastate roadways. Many of Maryland's neighbors, such as Pennsylvania, have already provided this payload parity to battery electric trucks operating on intrastate roadways. Intrastates are frequently located in environmental justice areas where deployments of ZEVs are high priority to

address longstanding air quality issues. This legislation will not only provide a level playing field for intrastate vehicle movement but also help address environmental justice.

Volvo Group urges the Senate Judicial Proceedings Committee to give Senate Bill 870 a favorable report.

For more information call:

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