

March 7, 2025

House Environment and Transportation Committee Maryland General Assembly House Office Building 6 Bladen St. Annapolis, MD 21401

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Re: <u>SEMA Support for Full Repeal of ACC II</u>

Dear Chair Korman, Vice Chair Boyce, and Members of the Environment and Transportation Committee:

On behalf of the Specialty Equipment Market Association (SEMA) and Performance Racing Industry (PRI), I am writing to express our position that House Bill (HB) 1556, while a step in the right direction, does not go far enough. Maryland must fully repeal its adoption of California's Advanced Clean Cars II (ACC II) Program and Advanced Clean Trucks regulation.

SEMA represents the \$337 billion specialty automotive industry, which includes over 7,000 businesses nationwide—95% of which are small businesses with fewer than 100 employees—including 67 in Maryland. The specialty automotive aftermarket industry is a key driver of Maryland's economy, contributing \$3.24 billion in total economic output, supporting 14,946 jobs, and generating over \$530 million in state and local taxes. The businesses in this industry manufacture, distribute, and install specialty automotive products that enhance vehicle performance, safety, efficiency, and aesthetics.

Consumers should have the freedom to choose the vehicle that best meets their needs. While SEMA supports technological advancements in electric and alternative fuel vehicles, government mandates should not dictate a one-size-fits-all approach. ACC II would require 100% of new passenger vehicle sales in Maryland to be zero-emission by 2035, severely restricting consumer choice and jeopardizing small businesses that rely on the sale and modification of internal combustion engine (ICE) vehicles.

HB 1556 provides temporary relief but does not address the long-term harm ACC II will inflict on Maryland's economy, workforce, and consumers. Maryland should take decisive action to reject these restrictive mandates outright and pursue policies encouraging true technological innovation rather than forcing a premature transition to a single technology. The specialty automotive aftermarket continuously develops new products to improve fuel efficiency, emissions reduction, and vehicle safety. Phasing out ICE vehicles without considering alternative low-emission solutions—such as biofuels, synthetic fuels, and hydrogen—will stifle progress and eliminate viable pathways to sustainability.

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E-mail: sema@sema.org Website: www.sema.org We understand the importance of reducing emissions and advancing sustainable transportation options. However, a balanced approach is necessary—one that fosters competition among multiple technologies instead of forcing an all-electric mandate. Maryland should join other states in pushing back against California's overreach and enact legislation that protects small businesses, maintains a diverse and competitive marketplace, and ensures that consumers can choose the vehicle technology that best suits their needs.

We urge the Maryland General Assembly to go beyond HB 1556 and fully repeal ACC II to protect consumer choice and the state's vibrant automotive industry. If you have any questions or would like to discuss this issue further, please contact me at (202) 794-8279 or via email at christianr@sema.org.

Sincerely,

Christian Robinson

Senior Director, State Government Affairs Specialty Equipment Market Association