



HEARING DATE: March 12, 2025

BILL NO/TITLE: HB1556: Environment - Advanced Clean Cars II Program and Advanced Clean Trucks Regulation - Application and Enforcement

COMMITTEE: House Environment & Transportation

POSITION: Support

Maryland Motor Truck Association (MMTA) members are deeply committed to supporting clean energy and emissions reductions from the transportation sector. We worked cooperatively with stakeholders to ultimately support passage of the Advance Clean Trucks Rule (ACT) in 2023, with a required needs assessment that was to have been completed by December 1, 2024. That assessment, which is now delayed to late 2025, is evaluating grid capacity, charging infrastructure, cost, availability, and other essential components to support the ACT's implementation and create a realistic pathway for zero emission truck adoption in Maryland.

Based on the experiences of other earlier adopter states, MMTA believes the timeline and structure of the ACT rule pose significant economic and logistical challenges for the reasons noted below.

Variability Among Classes.

The ACT rule requires manufacturers to sell an increasing number of zero-emission medium and heavy-duty trucks in Maryland, potentially imposing substantial fines for non-compliance. When assessing any data it is important to understand the difference between the various classes of vehicles because manufacturers are required to meet the sales targets in each class where they sell vehicles and credits are NOT transferrable across the various classes or between ACT states. The below chart identifies the classes and compliance percentages.

Maryland ZEV Sales Percentage Schedule Under the Advance Clean Trucks Rule			
Model Year	Class 2b-3 Group 8,501 to 14,000 lbs.	Class 4-8 Group Straight Trucks over 14,000 lbs.	Class 7-8 Tractors Group Tractors over 26,000 lbs.
2027	15%	20%	15%
2028	20%	30%	20%
2029	25%	40%	25%
2030	30%	50%	30%
2031	35%	55%	35%
2032	40%	60%	40%
2033	45%	65%	40%
2034	50%	70%	40%
2035	55%	75%	40%

Overwhelmingly ZEV sales growth is in the medium duty (Class 2b-3) segment. Nationally nearly 75% of MHD ZEV sales are pick-up trucks and SUVs, such as the Rivian R1S, Tesla Cybertruck, GMC Sierra, and Cadillac Escalade. These vehicles are passenger vehicles that are included in ACT because the added weight of their batteries moves them into the Class 2B category even though they do not transport freight.

Sales In Early Adopter States.

Sales data highlights the growing challenges in ACT states. There is a growing disparity between California and other states nationally with Class 8 truck sales. Across the country, from August 2023 to August 2024, Class 8 truck sales were down 3%. However, in California the state experienced a 79% drop in sales during that time period.

In December, Daimler Trucks, which manufactures the number top selling heavy duty truck brand in the country (Freightliner) announced it would halt sales of their diesel trucks in Oregon, where it is headquartered. The company then rescinded that position less than two weeks later. Similarly, Mack Trucks announced that the sale of diesel vehicles is “restricted due to the low level of EV sales, the extremely limited number of available credits, and the lack of a credit pooling framework among the opt-in states.”

The complexities of the ACT program – including uncertainties around penalties, credits, vehicle counts and more – have forced truck dealers to become gatekeepers on behalf of the manufacturers as the manufacturers are unwilling to provide them with trucks unless they certify the vehicle is not for sale, registration or primary use in an ACT state. Should a dealer need a diesel vehicle for a customer, it must first sell a ZEV before it will be provided with a vehicle for sale with an internal combustion engine.

The national data indicates that less than 1% of the MHD ZEV sales are Class 7-8 tractors. This category will need to be at 15% of Maryland sales in less than two years. As of September 2024, there were only three of these vehicles currently registered in Maryland. Maryland’s trucking companies and dealers need flexibility to avoid economically damaging outcomes as dealers in other ACT states who cannot sell ZEV trucks are losing their allocation of diesel trucks entirely—a situation that is leaving motor carriers unable to refresh aging fleets with modern, cleaner, and safer diesel vehicles.

Lack of Infrastructure.

The slow pace of ZEV truck sales is not surprising given the lack of charging infrastructure. Maryland currently has zero public charging infrastructure for medium- and heavy-duty trucks and it will take years for Maryland to build an adequate network of charging hubs. While the Clean Corridor Coalition Grant will support ZEV infrastructure along the I-95 corridor in Maryland, Delaware, Connecticut and New Jersey, no chargers are anticipated before 2029-2030. Without this essential infrastructure in place BEFORE Maryland’s ACT rules begin in MY27, meeting the sales mandate is simply not feasible.

A 2023 study by Roland Berger for the Clean Freight Coalition estimates Maryland will need nearly \$8 billion in grid and charging infrastructure investment to fully electrify the MHD fleet and that \$1 trillion is needed for nationwide implementation.

Commercial vehicle purchases require a long planning cycle—often 12 to 18 months or more. For ZEV trucks the timeline is even longer due to additional requirements for electric infrastructure development, which can extend two to three years, and requires extensive coordination with utilities. When looking at California, the leader in these electrification efforts, delays of almost three years for circuits exist, four years for substation upgrades, and nearly nine years for new substations. These extended timelines underscore the significant delays that could impact Maryland.

Real World Experiences.

In spite of the challenges, some MMTA members are testing electric trucks on an extremely limited basis. MMTA is aware of two companies that are each testing a single ZEV truck in our state. In both instances it took over three years to obtain the vehicles. The experiences of those companies highlight the operational limitations of these trucks.

- Company A – Is limiting its daily mileage for the truck to between 60 and 80 miles. When the battery is low, certain safety functions such as the defroster and the efficacy of the power steering are greatly diminished.
- Company B – Makes a roundtrip delivery from a terminal in Baltimore to one in southern Pennsylvania. The vehicle cannot complete a roundtrip on a single charge, requiring it to substitute a diesel truck for one segment of the trip, effectively needing two trucks to complete the workload normally handled by a single vehicle.

These challenges are further illustrated when one looks at the state fleet. In a 2023 letter to the General Assembly, the Maryland Department of Transportation estimated it would cost \$950 million just to convert its own fleet to electric, excluding the substantial cost of installing any necessary charging infrastructure. In the

Governor's FY2026 budget he recognizes this, proposing to move the timeline for the state's conversion to purchase electric transit buses from 2027 to 2032 – a mandate that was originally slated to begin in 2023.

Action is Needed Now.

Although it may seem prudent for the General Assembly to wait on the delayed needs assessment to take action on the Advance Clean Trucks Rule, the long lead time means action is needed now. Model Year 2027 sales orders will begin in Calendar Year 2026 – only one year from now. By all objective accounts from early adopter states, the goals and timelines of the ACT are simply not realistic or feasible.

There are significant hurdles that must be overcome before the sales mandates required by the ACT can be met. We know there is tremendous uncertainty about the future of zero emission vehicle programs given the recent actions by the Federal government. In lieu of an outright ban, this legislation would prevent any fines or penalties from being assessed on manufacturers that do not meet the sales targets required for MY2027 and MY2028. MMTA believes this approach allows for continued progression of the program in the state, without the fear of fines or inventory restrictions, as the infrastructure and market for zero emission trucks continues to ramp up and develop.

For the reasons noted above, Maryland Motor Truck Association asks for a favorable report.

About Maryland Motor Truck Association: Maryland Motor Truck Association is a non-profit trade association that has represented the trucking industry since 1935. In service to its 1,000 members, MMTA is committed to support, advocate and educate for a safe, efficient and profitable trucking industry in Maryland.

For further information, contact: Louis Campion, (c) 443-623-5663