HB1556_Stein Testimony_FAV Uploaded by: Dana Stein

Position: FAV

DANA M. STEIN
Legislative District 11B
Baltimore County

Speaker Pro Tem

Environment and Transportation Committee

Subcommittees

Chair, Environment

Natural Resources, Agriculture and Open Space



The Maryland House of Delegates 6 Bladen Street, Room 301 Annapolis, Maryland 21401 410-841-3527 · 301-858-3527 800-492-7122 Ext. 3527 Dana.Stein@house.state.md.us

The Maryland House of Delegates Annapolis, Maryland 21401

Delegate Dana Stein Testimony in Support of HB 1556

Environment - Advanced Clean Cars II Program and Advanced Clean Trucks Regulation - Application and Enforcement

Let me say at the outset: I am a big fan of electric vehicles (EVs). I bought my first one in 2017 and my family now has two, plus a hybrid. EVs are the future of automobiles: they save money on fuel and maintenance costs and are much less polluting. They are an important part of our climate solutions. Maryland car dealers have invested millions of dollars to support sales of EVs, and they now have over 80 EV models to sell.

But the increase in sales of EVs has slowed. And that's before the new federal administration takes action to revoke the \$7,500 federal tax credit for EVs.

The Advanced Clean Cars II standard, which was put in place in 2023, requires that 43% of all vehicles shipped by each manufacturer to Maryland dealers in model year 2027—starting in Fall of 2026—be EVs. In model year 2028, that increases to 51%. If a manufacturer does not meet these percentages, they could be assessed \$21,000 for each car that misses the target.

As a result, there's concern that manufacturers, to avoid the risk of penalties, will meet Maryland's Clean Car targets by reducing the number of gas-powered cars that they provide to dealers for sale in Maryland. That would translate to a large reduction in cars that dealers can offer, meaning far fewer choices for Maryland buyers and a huge loss in sales for Maryland dealers. Maryland customers can easily go to a neighboring state to find the models they want, further hurting dealers. This situation will not increase the number of EVs sold in Maryland. And, this is not fantasy—it has already started in New York.

While some credits are available for manufacturers, they will not make up the difference between actual sales and the Clean Cars standard. Manufacturers have already said they will not buy credits, even if enough were available.

Maryland car dealers, who are committed to selling EVs, will be hurt in the process. So, what my bill does is eliminate the penalty threat on manufacturers for two years. Manufacturers have reported that if the threat of penalties is eliminated, they will continue to provide both gas-powered vehicles and EVs that customers want from dealers. During this two-year interim, we can further build up our EV charger infrastructure, which we know is necessary to increase EV sales.

We are faced with a similar situation with the Advanced Clean Trucks (ACT) program, which applies to vehicles over 8,500 pounds gross vehicle weight rating, with the percentage of sales of zero emissions trucks increasing over time, beginning in model year 2027 (Fall 2026) with potential fines for missing targets.

In the eleven states with ACT programs, manufacturers have already begun restricting truck sales, limiting what dealers are able to sell. California, which is the only state that has had a full year under the ACT program, experienced a reduction in truck sales of 79% through August 2024.

- In December, Daimler Trucks, which manufactures the 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.
- 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."
- Dealers are required by the manufacturers to sell certain percentages of zero- emission trucks before they are given an opportunity to sell a diesel vehicle in an ACT state.

Another problem is that we've created a mandate for zero-emissions trucks starting with Model Year 2027, with sales beginning in calendar year 2026, but we have no public charging infrastructure for these trucks on our highways.

- There is currently no public charging infrastructure for medium- and heavy-duty trucks in Maryland.
- In cooperation with Connecticut, Delaware, and New Jersey, Maryland received an I-95 Clean Corridor Coalition Grant to add charging at locations along I-95, but these won't be built until 2029-2030.

House Bill 1556 does not rescind or pull Maryland out of the Advanced Clean Car II or the Advanced Clean Trucks programs. It does not even eliminate the sales targets, because we are trying to stay on an upward ramp towards broader adoption of electric vehicles.

However, we must provide some assurances to the manufacturers so that Maryland dealers continue to have products to sell.

My bill simply provides assurances that no fines will occur in Maryland for Model Years 2027 and 2028 as the market for these products continues to develop.

HB 1556_Environment - Advanced Clean Cars II Progr Uploaded by: Hannah Allen

Position: FAV



House Bill 1556

Date: March 12, 2025

Committee: House Environment and Transportation

Position: Favorable

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

House Bill 1556 (HB 1556) would prohibit the Maryland Department of the Environment from applying enforcement or penalties for failing to meet any requirements under the California Advanced Clean Cars II Program or the Advanced Clean Trucks regulation for model years 2027 and 2028. HB 1556 provides much-needed regulatory certainty for businesses.

While the business community is committed to environmental sustainability and emissions reductions, the aggressive timelines imposed by California's regulations pose significant challenges for Maryland businesses, auto dealers, fleet operators, and manufactures. The adoption of these regulations without sufficient lead time for businesses to adapt will result in increased compliance costs, supply chain disruptions, and workforce and operational challenges.

While the regulations are set to take effect beginning with model year 2027, neither the industry nor the state is fully prepared to meet the Advanced Clean Cars requirements due to factors beyond their control, including insufficient electric vehicle (EV) infrastructure, limited federal incentives, and consumer demand. Consumer demand for EVs has not yet reached the levels necessary to support the mandated sales percentage. Market demand, not mandates, should drive EV adoption. Forcing higher percentages of EV sales without corresponding consumer interest could lead to economic inefficiencies and unintended market consequences.

For these reasons, the Maryland Chamber of Commerce respectfully requests a **favorable report** on HB 1556.

hb 1556 testimony.pdfUploaded by: J Peter Kitzmiller Position: FAV



To:

House Environmental Matters Committee

From: Peter Kitzmiller, President

Maryland Automobile Dealers Association

Re:

House Bill 1556 - Delegate Stein

Position:

Support

The Maryland Automobile Dealers Association represents 300 franchised New Car and Truck Dealerships and their 23,000 employees. We are in Support of House Bill 1556.

The briefing that we held before this Committee in January clearly showed that the 43% EV Sales Mandate starting in the Fall of 2026 is NOT achievable. In the Fall of 2026 (Model Year 2027) we would need to sell 118,000 additional EV's. The Manufacturers cannot build that many EV's (when at the same time they would have to supply California and the other Clean Car II states). Maryland is currently at 10.1% EV penetration and there is no reason to believe consumer's demand will get to 43% in fifteen months. Most importantly Maryland's infrastructure cannot accommodate 118,000 new EV's.

The regulatory "flexibility" through credits will clearly not allow manufacturers to reach the 43% mandate. The manufacturers have clearly indicated that they will comply with the program but, they will not be buying credits from competitors like TESLA (sufficient credits do not exist). The only option Is for the manufacturer to ship significantly less inventory to Maryland dealers (specific example is attached to our testimony). Inventory reductions will not be survivable for some Maryland Dealerships and we will lose sales to our Border States. This inventory reduction/cross border sales issue is NOT theoretical – it is the only way manufacturers can be in compliance.

Pausing the start of Clean Cars II will not have a negative impact on Maryland EV sales going forward. The manufacturers (over \$100 billion) and Maryland dealers (over \$100 million to date) have invested too much to stop now. EV's are a permanent and growing part of vehicle sales going forward. We now have over 80 EV models to sell (full size pickups down to sedans with ranges exceeding 300 miles). Our customers need to be convinced that the Maryland electric infrastructure can support their decision to purchase an EV. Consumers will not purchase an EV unless they can charge it at home. Fifty percent of our customers live in multi-family housing or are renters. We need to address how to charge their vehicles.

We would ask the Committee for a favorable report on House Bill 1556.



I <u>INTRODUCTION</u>

- (a) Represent 300 franchised New Car and Truck dealers
- (b) Dealers directly employ 23,000 people

II <u>Associations' Position on EV's</u>

- (a) Assertion that dealers do not want to sell EV's is **Incorrect**-Maryland dealers will spend over \$100 Million on EV infrastructure (chargers/equipment/training) in 2023/2024
- (b) There is no going back for Manufacturers and Dealers too much money Invested we will be selling EV's
- (c) The Association is not asking Maryland to get out of Clean Cars II however, there are a number of issues that if not addressed will cause significant harm to Maryland dealers, our employees and customers and will not result in more EV Sales

III Model Year 2027 Sales Mandate

- (a) 43% of vehicles shipped by each Manufacturer to Maryland dealers must be EV's
- (b) If 2027 is a normal sales year we will need to sell 118,000 (MD Department of Environment estimate) EV's in Model year 2027 (currently 90,000 EV's registered in Maryland after 10 years of sales)
- (c) Questions Can Manufacturers produce 118,000 EV's for Maryland NO

Is there demand for 118,000 EV's - NO

Can Maryland infrastructure charge/accommodate this number of EV's by 2027 - **NO**

IV <u>Cross Border Sales Issue - Unintended Consequence</u>

(a) <u>Overview</u>

- This is a critical issue for Maryland dealers NO Maryland dealer is more than 50 miles from a border
- (b) Manufacturers have limited options to meet the 43% Sales Mandate in year 2027
 - Miss the 43% target and pay the \$21,000 per car fine (they are not going to do this)
 - Limit the amount of inventory they ship to Maryland dealers

Example

- Maryland dealer normally gets 1,000 vehicles a year from their manufacturer
- In 2027 the manufacturers would need to ship 430 EV's to the Maryland dealer
- They do not have the capacity to build that many EV's
- Only option is to reduce the 1,000 vehicles normally shipped to a Maryland dealer to 600 where they in turn meet the 43% mandate
- Reduction in inventory will be catastrophic to Maryland dealers and their employees
- Those 400 vehicles we no longer get will go to our Border States

(c) <u>Unintended Consequence</u>

 Maryland residents will go to our border States/Purchase ICE Vehicles/Register them in Maryland

- This will result in lost sales/employees for Maryland dealers
- No additional EV's will be put on Maryland road

(d) <u>Cross Border Sales Issue is not Theoretical</u>

- Some manufacturers are already limiting what types of vehicles Maryland dealers can order
- State of Maryland Climate-report
 Talks about the cross border issue and their concerns about "Sales Leakage"
- Maryland is only Clean Car II State Surrounded by NON-EV Sales Mandate States

V <u>Electric Infrastructure</u>

- Our customers need to be convinced that the Maryland electric infrastructure can support their decision to purchase an EV
- Consumers will not purchase an EV unless they can charge it at home
- 50% of our customers live in multi-family housing or are renters. We need to address how to charge their vehicles
- Maryland charging infrastructure will not be able to support the 43% EV
 Mandate by 2026

VI Bottom Line on EV Mandates

- (a) <u>Customers</u> NOT the State of Maryland, manufacturers or dealers will determine how quickly EV adoption will occur.
- (b) Maryland dealers have over 80 EV models to sell across all categories Large SUV's Pick-ups and Crossovers.
- (c) If Maryland does not delay the implementation date of Clean Cars II, there will be a drastic negative impact on Maryland consumers, dealers and dealership employees.

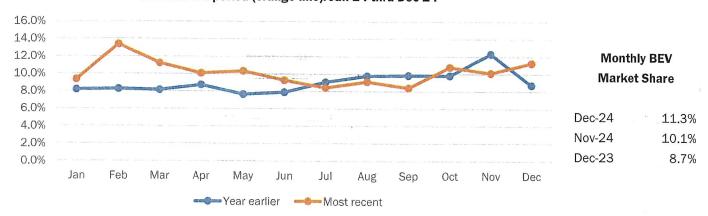
Maryland Green Vehicle Report ™

Tracking the Maryland BEV and PHEV market
Released January, 2025, covering data thru December 2024

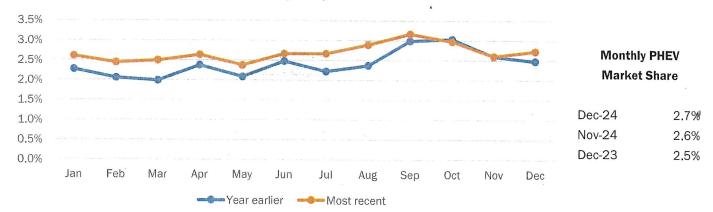




BEV Share of Maryland New Retail Light Vehicle Registrations Year earlier period (blue line): Jan-23 thru Dec-23 Most recent period (orange line): Jan-24 thru Dec-24



PHEV Share of Maryland New Retail Light Vehicle Registrations Year earlier period (blue line): Jan-23 thru Dec-23 Most recent period (orange line): Jan-24 thru Dec-24



The two graphs above show 24 months of history for BEV (battery electric vehicle) and PHEV (plug in hybrid vehicle) market share in Maryland. The most recent 12 months are shown by the orange line, and the year-earlier 12 month period is shown by the blue line. Data sourced from Experian Automotive.

	Monthly		Th	Three Month Period		Rolling 12 Months	
			Jul-24 to	Oct-24 to	Jan-23 to	Jan-24 to	
	Nov-24	Dec-24 Chang	e Sep-24	Dec-24 Change	Dec-23	Dec-24 Change	
Industry registrations	20860	18604 -10.8	55187	57963 5.0 9	223737	223287 -0.2 %	
BEV registrations	2103	2093 -0.5	4781	6189 29.49	20259	22645 11.8%	
BEV market share	10.1%	11.3%	2 8.7%	10.7% 2.0	9.1%	10.1%	
PHEV registrations	543	507 -6.6	1613	1600 -0.89	5408	6004 11.0%	
PHEV market share	2.6%	2.7% 0.	1 2.9%	2.8%	2.4%	2.7% 0.3	

Monthly recording of registrations occurs when vehicle title information is processed, which may differ from date of sale. Title recording can occasionally be subject to processing delays by governmental agencies. For this reason, the three month period and year-to-date figures will typically be more reflective of market results Data sourced from Experian Automotive.

Maryland Green Vehicle Report

Maryland Green Vehicle Report ™

Tracking the Maryland BEV and PHEV market Released January, 2025, covering data thru December, 2024 **Publication Sponsored By:**



Maryland New Battery Electric Vehicle Registrations by Make 2023 and 2024 Annual Totals						
	Registrations			Market Share (%)		
	2023	2024	% Change	2023	2024	Change
TOTAL	20,259	22,645	11.8			
Acura	о О	104		0.0	0.5	0.5
Audi	430	233	-45.8	2.1	1.0	-1.1
BMW	971	993	2.3	4.8	4.4	-0.4
Cadillac	137	439	220.4	0.7	1.9	1.2
Chevrolet	835	723	-13.4	4.1	3.2	-0.9
Ford	1,115	1,509	35.3	5.5	6.7	1.2
Genesis	. 95	127	33.7	0.5	0.6	0.1
GMC	30	198	560.0	0.1	0.9	0.8
Honda	. 0	498		0.0	2.2	2.2
Hyundai	1,092	1,047	-4.1	5.4	4.6	-0.8
Jaguar	., 3	9	200.0	0.0	0.0	0.0
Kia	413	779	88.6	2.0	3.4	1.4
Lexus	125	300	140.0	0.6	1.3	0.7
Mercedes	536	375	-30.0	2.6	1.7	-0.9
MINI	99	95	-4.0	0.5	0.4	-0.1
Nissan	256	221	-13.7	1.3	1.0	-0.3
Other	145	241	66.2	0.7	1.1	0.4
Polestar	62	81	30.6	0.3	0.4	0.1
Porsche	126	106	-15.9	0.6	0.5	-0.1
Rivian	544	588	8.1	2.7	2.6	-0.1
Subaru	116	170	46.6	0.6	0.8	0.2
Tesla	12,046	12,633	4.9	59.5	55.8	-3.7
Toyota	198	612	209.1	1.0	2.7	1.7
Volkswagen	670	480	-28.4	3.3	2.1	-1.2
Volvo	215	84	-60.9	1.1	0.4	-0.7

Data sourced from Experian Automotive.

HB1556 testimony E&T.pdf Uploaded by: Kirk McCauley Position: FAV





WMDA/CAR Service Station and Automotive Repair Association

Chair: Marc Korman, Vice Chair Regina T. Boyce, and member of Environment and Transportation Committee

RE: HB1556

Position: Favorable

My name is Kirk McCauley, my employer is WMDA/CAR, we represent service stations convenience stores and repair facilities across the state as a non-profit trade group.

I know this sounds odd, but this is a common since bill that need nothing more than a **YES Vote.**

We ask for Favorable Report on HB1556

Any questions can be addressed to Kirk McCauley, 301-775-0221 or kmccauley@wmda.net

HB1556 - Support - Maryland Motor Truck Associatio Uploaded by: Louis Campion

Position: FAV

Maryland Motor Truck Association



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	Class 4-8 Group	Class 7-8 Tractors Group			
	8,501 to 14,000 lbs.	Straight Trucks over 14,000 lbs.	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.

<u>About Maryland Motor Truck Association:</u> 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

HB 1556 AdvCleanCars II-PenaltyDelay.pdf Uploaded by: SHARON CARRICK

Position: FAV



Ella Ennis, Legislative Chairman Maryland Federation of Republican Women PO Box 6040, Annapolis MD 21401

Email: eee437@comcast.net

The Honorable Marc Korman, Chairman and Members of the Environment and Transportation Committee Maryland House of Delegates
Annapolis, Maryland

RE: **HB1556** – Environment – Advanced Clean Cars II Program and Advanced Clean Trucks Regulation – Application and Enforcement – **FAVORABLE**

Dear Chairman Korman and Committee Members,

The Maryland Federation of Republican Women supports HB1556 as a practical modification to the requirements and penalty enforcement of the Advanced Clean Cars II Program and Advanced Clean Trucks Regulations for years 2027 and 2028.

Current program requirements are not attainable in the timeframes in current law. It will take time for the public to gain confidence in this new technology and for the State to achieve sufficient electric capacity and charging infrastructure.

Electric vehicles are still very new technology. An adequate charging infrastructure is lacking in Maryland. People are concerned about the distance electric vehicles can travel before requiring a recharge and the time required for recharging. The possibility of EV batteries catching fire or exploding raises additional concerns.

Imposing legal and financial penalties on auto and truck dealers when they don't meet sales targets imposed by the programs is unfair, unjust, and unwise. An inadequate and/or inconvenient vehicle charging infrastructure is not the fault of vehicle manufacturers or dealers. Neither are they responsible for the State's deficit in electric generation and transmission capacity.

We urge your FAVORABLE vote for HB1556.

Sincerely,
Ella Ennis
Legislative Chairman

Written Testimony for HB 1556_ Environment - Advan Uploaded by: Trudy Tibbals

Position: FAV

Written Testimony for HB 1556: Environment - Advanced Clean Cars II
Program and Advanced Clean Trucks Regulation - Application and
Enforcement - Please **VOTE YES IN SUPPORT** of this bill.

Dear Environment and Transportation Committee:

This bill states "...THE DEPARTMENT MAY NOT APPLY THE ENFORCEMENT OR PENALTY PROVISIONS OF SUBTITLE 6 OF THIS TITLE FOR FAILURE TO MEET ANY REQUIREMENTS UNDER THE CALIFORNIA ADVANCED CLEAN CARS II PROGRAM OR THE ADVANCED CLEAN TRUCKS REGULATIONS FOR THE FOLLOWING MODEL YEARS: 2027; AND 2028..."

This is a common sense bill that will increase electric vehicle sales in Maryland, which will be very beneficial for Maryland's economy.

Therefore, please VOTE YES IN SUPPORT of thi	s bill.
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Thank you.

Respectfully,

Trudy Tibbals

Ext. Comm. - Testimony - 2025 - Maryland HB 1556 - Uploaded by: Joshua Fisher

Position: FWA



March 11, 2025

The Honorable Marc Korman Chair, House Environment and Transportation Committee 251 Taylor House Office Building Annapolis, Maryland 21401

HB 1556: Environment - Advanced Clean Cars II Program and Advanced Clean Trucks
Regulation - Application and Enforcement
Position: Favorable with Amendments

Chair Korman:

The Alliance for Automotive Innovation¹ (Auto Innovators) appreciates the opportunity to express our thoughts on HB 1556. We appreciate the sponsor's efforts to address this issue and bring balance to Maryland's new vehicle market. We are committed to working with the sponsor and the committee to align this proposal in a manner that benefits Maryland residents, the state's new car dealers, and automakers.

By 2030, the auto industry is expected to invest more than \$1.2 trillion globally in electrification, including \$123 billion that has been invested in the U.S. since 2020.² This includes massive investments in critical mineral sourcing and processing, battery cell and pack production, electric vehicle (EV)³ research and development, certification, production, charging stations, and consumer education. In less than two years, the auto industry has significantly increased the number of electrified models, and EV options are available at a variety of price points to consumers in nearly every vehicle segment. The auto industry will continue to deliver EVs to Maryland dealers without the mandate in place.

EV Sales in Maryland

In the first three quarters of 2024, 11.9% of light-duty vehicles sold in Maryland were EVs, which was a minimal increase from the 2023 percentage of EV sales. To meet the regulatory obligations of ACC II in MY 2027, EV sales must be more than triple in a very short period. If EV sales do not increase between MY 2025 and MY 2027, the challenge in Maryland is further exacerbated in the following years: quadruple in MY 2028 (when more than half of new vehicle sales must be EVs) and quintuple in MY 2028 (when nearly two-thirds of new vehicle sales must be electric). There is no

¹ From the manufacturers producing most vehicles sold in the U.S. to autonomous vehicle innovators to equipment suppliers, battery producers and semiconductor makers – Alliance for Automotive Innovation represents the full auto industry, a sector supporting 10 million American jobs and five percent of the economy. Active in Washington, D.C. and all 50 states, the association is committed to a cleaner, safer and smarter personal transportation future. www.autosinnovate.org.

² https://www.autosinnovate.org/posts/papers-reports/get-connected-q2-2024

³ Electric Vehicles include battery electric vehicles, plug-in hybrid electric vehicles, and hydrogen fuel cell electric vehicles.

viable path for automakers to meet these sales requirements in Maryland and this will necessitate drastic actions from automakers.

The Numbers Don't Add Up

It will take a miracle for Maryland and most states following California to meet these EV sales requirements. Trying it will harm customers, dealers and automakers doing business in the state.

Let's walk through this example and you'll see the numbers don't add up. Think of the EV sales requirements in Maryland as a ratio or a fraction.

In this case, the numerator is the number of EVs that must be sold each year. The denominator is the total number of vehicles sold annually. Using recent EV sales trends (and remember — <u>sales are growing</u>), about 60,000 EVs are projected to be sold in Maryland in 2027 out of 300,000 total vehicles. That's about 20% EV market share — but still 23 points short of the law's requirement.

One option for automakers to achieve the required EV sales ratio? Shrink the pie. In other words, sell fewer gas-powered vehicles in Maryland — about 160,000 fewer! A smaller pie inflates the proportion of EV sales in the state and voila... the EV sales requirement is achieved. That's a recipe to depress economic activity, increase automobile prices and obliterate customer choice.

It will also send Maryland drivers who don't want an EV (for whatever reason) to cross the border and buy a car in Pennsylvania or Virginia, states that don't follow California. All bad options for Maryland.

You can't get ahead of the customer, and that's where Maryland and this California-style EV sales mandate is — ahead of the customer. Not to mention the state's charging infrastructure.

EV Charing in Maryland

Readily accessible EV charging remains a significant barrier to EV adoption. Unfortunately, the rollout of public EV charging remains insufficient to meet customers' needs today and falls vastly short of the charging infrastructure required to support even 43% EV sales in MY 2027 (CY 2026).

The National Renewable Energy Laboratory (NREL) analyzed the EV charging infrastructure needs for every state to support total EVs in operation assuming 50% EV sales in 2030⁴ (a level well below the ACC II requirements of 68% in MY 2030).

In that analysis, NREL found that Maryland will require at least one publicly available EV charging port⁵ for every 27 EVs on the road. Maryland has slightly under 5,000 publicly available EV charging ports and around 118,000 EVs on the road. To support the number of EVs required to be sold in 2026, Maryland will need around 16,000 public EV charging ports. This means that within two years, Maryland will need over three times as many publicly available charging ports as today -

⁴ https://www.nrel.gov/docs/fy23osti/85654.pdf

⁵ Publicly available EV charging includes Level 2 and DC fast charging ports.

the equivalent of 13 new charging ports coming online every day between now and the end of 2026. And it only increases from there as the EV sales requirements increase each year.

As we sit here today, there is no plan in place to meet the sales requirements or install the needed charging infrastructure to support Maryland residents who will face less vehicles choices if the state does not alter its current course.

Credit Flexibilities

Proponents of ACC II often misrepresent the flexibility of credit usage to meet the mandate. In Maryland, manufacturers have five ways to earn credits toward the ZEV mandate. Early Compliance Values (ECV) are capped at 15% annually, while converted credits from ACC I are also limited to 15% per year. Pooled credits have a declining cap of 20%, 15%, 10%, and 5% over time but require a manufacturer to over-comply in one state, to transfer credits to another. Proportional credits and Environmental Justice (EJ) credits come with specific limitations, with EJ credits tied to sales to community programs such as the sale of discounted off-lease vehicles that won't become available until two to three years after ZEVs enter the leasing market.

The realistic scenario when the ZEV mandate reaches 43%, the maximum allowable ECV and converted credits will each account for just 6.45% (15% of 43%). Given these constraints, the most realistic credit utilization scenario of all available credits in Model Year 2027 is 13.5%, meaning manufacturers will still be required to sell at least 30% ZEVs in that year. Even with optimal credit flexibility, ZEV sales must increase 2.5 times by Model Year 2027 to meet the mandate.

Conclusion

There is no question that the auto industry is committed to this EV transition. However, Maryland's continued participation in California's ACC II EV mandate will lead to market disruptions, less vehicles delivered to Maryland new car dealers, less vehicle choice for Maryland residents, high prices for consumers, and less revenue for the state.

We look forward to working together with the state to find ways to achieve your state's electrification goals, consider additional actions to accelerate EV adoption in your state, and support automakers as they strive to their customers' needs.

Thank you for your consideration of our position. For more information, please contact our local representative, Bill Kress, at (410) 375-8548.

Sincerely,

Josh Fisher Senior Director

Alliance for Automotive Innovation

ALA_MD_ACC2 and ACT Delay_HB1556.pdf Uploaded by: Aleks Casper

Position: UNF



House Bill 1556 Environment and Transportation Committee March 11, 2025 Oppose

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

Thank you for the opportunity to provide comments. The American Lung Association in Maryland respectfully opposes House Bill 1556 which would delay adoption and implementation of the Advance Clean Cars II and Advanced Clean Trucks (ACT) standards. The Lung Association believes that Maryland must continue to enact policies that will make meaningful reductions in harmful air and climate pollution and ultimately protect the health and well-being of Marylanders, and House Bill 1556 undermines these efforts by delaying substantial public health benefits of these clean air standards. We believe these life-saving standards should be implemented as planned so that Maryland can benefit from the immediate health impacts on the schedule currently in place.

The American Lung Association is the leading organization working to save lives by improving lung health and preventing lung disease, through research, education and advocacy. The work of the American Lung Association is focused on four strategic imperatives: to defeat lung cancer; to improve the air we breathe; to reduce the burden of lung disease on individuals and their families; and to eliminate tobacco use and tobacco-related diseases.

The American Lung Association's 2024 State of the Air¹ report revealed that four in ten Americans, more than 131 million people live in counties that had unhealthy levels of ozone and/or particle pollution. In Maryland there were mixed results with two counties receiving a failing grade for high ozone pollution and another four counties receiving a 'C' or lower living in a community with unhealthy levels of ozone or particle pollution. Ozone and particle pollution can harm the health of all Maryland residents and of particular risk are children, older adults, pregnant people, and those living with chronic diseases – approximately 80,000 children and 504,000 adults are living with asthma in Maryland and another 242,000 are managing other lung illnesses. Both ozone and particle pollution can cause premature death and other serious health effects such as asthma attacks, cardiovascular damage, and developmental and reproductive harm.

The transportation sector is the leading source of air and climate pollutants. The American Lung Association issued our Zeroing In on Healthy Air² report which finds that a widespread transition to zero-emission vehicles powered by clean energy sources could result in up to 110,000 avoidable deaths and \$1.2 trillion in public health benefits across the United States over the next 30 years. In Maryland specifically, the report found that transition to clean energy transportation could have \$27.8 billion in public health benefits including 2,530 avoided deaths, 63,600 avoided asthma attacks and 315,000 avoided lost workdays. Achieving these public health benefits requires strong policies and investments at the local, state, and national levels to spur the transition to zero-emission vehicles and non-combustion, electricity generation. The transition to zero-emission technologies would benefit residents across the United States and in Maryland and especially those most burdened by power plants and transportation hubs like highways, ports, and warehouses. Implementing the Advance Clean Cars II and Advanced Clean Trucks standards as planned are critical components of this transition to healthier, more sustainable transportation and must not be delayed.

The American Lung Association believes that all people are entitled to breathe healthy air and to be free of the adverse health effects of air pollution. We support the protection of all people from the harm of air pollution, especially those who suffer disproportionate exposure from local sources of emissions including carcinogenic diesel trucking emissions. We recognize that major sources of air pollution are often located near where many people, especially communities of color or lower-income residents, live and work which means their pollution burdens can be more immediate and disproportionally harmful.

The Lung Association strongly supports the implementation of the Advanced Clean Cars II and Advanced Clean Trucks standards as integral ways to address the problem of air pollution in our state and significantly reduce harmful emissions and health disparities. House Bill 1556 undermines these efforts by delaying the implementation of these programs, therefore we request an unfavorable report from committee.

We thank you for the opportunity to provide comments and if you need any additional information, please do not hesitate to contact me at aleks.casper@lung.org or 202-719-2810.

Sincerely,

Aleks Casper

aleks Casper

Director of Advocacy

¹ American Lung Association. State of the Air Report, 2024. Available at: https://www.lung.org/research/sota

² American Lung Association. Zeroing in on Healthy Air, 2022. Available at: https://www.lung.org/clean-air/electric-vehicle-report#

³ American Lung Association. Delivering Clean Air: Health Benefits of Zero-Emission Trucks, 2022. Available at: https://www.lung.org/getmedia/e1ff935b-a935-4f49-91e5-151f1e643124/zero-emission-truck-report



CALSTART Written Testimony_ACT Support_OpposeHB 15Uploaded by: Alissa Burger

Position: UNF



Clean Transportation Technologies and Solutions

www.calstart.org

March 10, 2025

Maryland General Assembly
House Transportation and Energy Committee
Legislative Services Building
90 State Circle
Annapolis, MD 21401

Re: Protect Advanced Clean Trucks (ACT) in Maryland (Oppose HB 1258 and HB 1556)

Dear Committee Members,

For more than 30 years, it's been CALSTART's mission to develop, assess, and implement large-scale zero-emission transportation solutions to mitigate climate change and support economic growth. We work with businesses, organizations, governments, and communities to create real-life impacts towards clean air and equitable access to clean transportation for all.

The Advanced Clean Trucks (ACT) rule is designed to accelerate a large-scale transition to zero-emission medium- and heavy-duty vehicles (ZE-MHDVs) by requiring manufacturers to increase model availability, which helps meet the needs of fleet operators across multiple vehicle classes and further develops the market for these vehicles in Maryland. Since the Maryland Department of the Environment (MDE) adopted the regulation in December 2023, investments by the clean transportation sector and vehicle deployments have only continued to expand and flourish.

In January 2025, CALSTART released its 6th annual Zeroing on Zero Emission Trucks Report showing over 1,000 zero-emission ZE-MHDVs were deployed across the state (as of June 2024), making Maryland a leader in deployments in the region. Not only is Maryland a trailblazer in terms of ZET deployments, but the state continues to make impressive strides in standing up complementary programs such as the Maryland's Medium-Duty and Heavy-Duty Zero-Emission Vehicle Grant Program, utility incentives, and the state's participation in the Regional Greenhouse Gas Initiative (RGGI) cooperative, proceeds which the state uses to support clean transportation solutions.

With a sustained commitment to smart, targeted policies, Maryland can be a national leader for innovation and high-tech manufacturing in this sector. Delaying or undermining the implementation of the ACT rule would jeopardize the significant progress Maryland has already achieved in deploying zero-emission technologies, attracting investment, and creating clean energy jobs. It would also send a troubling signal to businesses and communities relying on clear, consistent policies to guide their transition to cleaner transportation solutions.

There is a better way forward. Maryland can lead the nation in clean vehicle innovation and high-tech manufacturing, paving the way for a healthier, more sustainable future. We



urge you to strongly oppose HB 1258 and HB 1556 and to stand firm in support of the ACT rule to ensure Maryland remains at the forefront of clean transportation progress.

Sincerely,

alissaforus Burger.

Alissa Burger (she/her)
Regional Policy Director | CALSTART
412-352-4455 | aburger@calstart.org
www.calstart.org

HB 1556 Oppose CMT Alliance.pdf Uploaded by: Brian O'Malley Position: UNF



March 10, 2025

Testimony on HB 1556 – Changes to the Application and Enforcement of the Advanced Clean Cars II Program and Advanced Clean Trucks Regulation – Environment & Transportation Committee

Position: Oppose

The Central Maryland Transportation Alliance recommends an unfavorable report for HB 1556 which delays by two years the effective dates of the Advanced Clean Car II and Advanced Clean Trucks rules.

Marylanders are being harmed now. Ground level ozone and other pollutants damage the lungs, contributing to higher asthma rates and emergency room admissions. The Advanced Clean Cars II and Advanced Clean Trucks rules will significantly reduce Nitrous Oxide (NOx) emissions, a precursor to forming ground level ozone, from Maryland's on-road vehicles. There is an urgent need to stay the course and let the rules take effect as scheduled.

Maryland did not act alone when it adopted the rules. California, Massachusetts, Oregon, Washington, Colorado, Delaware, New Jersey, New York, Vermont, Maine, Rhode Island, Virginia, Connecticut, and Minnesota have adopted the Advanced Clean Car II rule or are in the process of doing so. California, Oregon, Washington, New Jersey, New York and Massachusetts have adopted the Advanced Clean Trucks rule and many others have expressed an intention to do so.

We look to our elected leaders in the Environment & Transportation Committee to stand strong and reduce the harm to Marylanders without further delay.

We encourage an UNFAVORABLE report for House Bill 1556.

HB1556_Advanced_Clean_Cars_MLC_UNF.pdf Uploaded by: Cecilia Plante

Position: UNF



TESTIMONY FOR HB1556 Advanced Clean Cars II Program and Advanced Clean Trucks Regulation – Application and Enforcement

Bill Sponsor: Delegate Stein

Committee: Environment and Transportation

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: UNFAVORABLE

I am submitting this testimony in strong support of HB1556 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

Our members do not understand why we are attempting to delay programs that provide such benefit to the state and also help us meet our greenhouse gas reduction targets. This seems to be undercutting all of the efforts we have made to embrace new, cleaner technologies that we know to be beneficial.

We strongly oppose this bill and recommend an **UNFAVORABLE** report in committee.

CSG HB 1556 Unfavorable.pdfUploaded by: Cheryl Cort Position: UNF



Testimony on HB 1556

Environment - Advanced Clean Cars II Program and Advanced Clean Trucks Regulation - Application and Enforcement

Before the Transportation and Environment Committee
Maryland House of Delegates

Date: March 10, 2025 Position: **Oppose**

The Coalition for Smarter Growth opposes HB 1556. Our organization advocates for walkable, bikeable, inclusive, and transit-oriented communities as the most sustainable and equitable way for the Washington, DC region to grow and provide opportunities for all.

HB 1556 would delay enforcement of the Advanced Clan Cars II and Advanced Clean trucks rules for two years. Any delay risks Maryland's participation in these programs altogether and is a setback for progress towards Maryland's goals of reducing pollution emissions and climate protection.

We ask for an **unfavorable** report for HB 1556 by the committee.

Thank you for your consideration.

Testimony against HB 1556.pdfUploaded by: Chris Guinnup Position: UNF

Bill: HB 1556 "Advanced Clean Cars II Program and Advanced Clean Trucks

Regulation - Application and Enforcement"

Position: **Unfavorable**

Greetings Maryland Legislators,

I am Christopher Guinnup, a resident of Baltimore, and I strongly urge you to oppose HB 1556. In Hampden, whenever I walk Falls Road north of the I-83 ramp, I experience the pollution that high traffic roads bring to our neighborhoods and businesses. It's always noticeably dirtier than the rest of the neighborhood, a much more unpleasant and unattractive place to be, and surely increases respiratory health issues in residents living right up against the road.

Delaying the Advanced Clean Cars II Program and Advanced Clean Trucks
Regulation would increase the pollution that motor vehicles inflict on all our communities
as Maryland grows. Oppose HB 1556 to ensure that Maryland has a cleaner future, not a
more toxic one.

Thank you,

Chris Guinnup 4010 Roland Ave Baltimore, MD 21211

HB1556_Advanced Clean Cars II Program and Advanced Uploaded by: Dave Arndt

Committee: Environment and Transportation

Testimony on: HB1556 - Advanced Clean Cars II Program and Advanced

Clean Trucks Regulation - Application and Enforcement

Submitting: Dave Arndt
Position: Unfavorable
Hearing Date: March 12, 2025

Dear Mr. Chair and Committee Members:

Thank you for allowing our testimony today in opposition of HB1556. I urge you to vote unfavorably on HB1556.

The Advanced Clean Cars II and Advanced Clean Trucks rules were adopted in 2023 based on laws passed by the Maryland General Assembly. These rules would require vehicle manufacturers to sell an increasing annual percentage of zero-emission cars, school buses, delivery vans, and trucks in the state. The Maryland Department of Environment has stated in a hearing earlier this session "that the Advanced Clean Cars II is our single largest existing climate pollution reduction strategy over the long term." The clean cars and trucks rules will significantly cut air pollution, reduce respiratory illnesses, and save lives.

There is no justification of why we need to delay enforcement of the Advanced Clan Cars II and Advanced Clean trucks rules for two years. Any delay risks Maryland's participation in these programs all together. Other states are already implementing these rules in 2025, what happen to Maryland being a leader? This bill that could put Marylanders and the environment at risk without any apparent benefit.

For all of these reasons, I strongly oppose HB1556 and urge a UNFAVORABLE report in Committee.

Dave Arndt
Baltimore
CoChair Maryland Legislative Coalition – Climate Justice Wing

Testimony HB1556 Delaying ACC ACT regs.pdfUploaded by: Debbie Cohn

Committee: Environment and Transportation

Testimony on: HB1556 – Consumer Goods- Restrictions Based on Energy Source –

Prohibition (Energy Equality Act of 2025)

Submitting: Deborah A. Cohn Position: Unfavorable

Hearing Date: February 12, 2025

Dear Chair Korman and Committee Members:

Thank you for allowing my testimony today in opposition to HB1556. I have resided in Maryland since 1986, and most of my descendants reside in Maryland. I am writing because I care about the air they breathe and most of them live near the Capital Beltway.

This testimony will show why timely implementation of the Advanced Clean Cars II (ACC II) and Advanced Clean Trucks (ACT) regulations are critical for improving the health of Maryland residents and are attainable.

Background: HB1556 would delay the enforcement and penalty provisions under Maryland's ACC II and ACT regulations two years. These regulations require vehicle manufacturers to sell an increasing percentage of zero emission cars, trucks, delivery vans and school buses from Model Year 2027 through 2035 and are based on the California Air Resources Board's (CARB) rules. The Maryland Department of the Environment (MDE) adopted the CARB rules under the authority of the Maryland Clean Cars Act of 2007 and Clean Trucks Act of 2023.

Scope of Health and Toxic Emissions Problem: The transportation sector is Maryland's number one generator of greenhouse gas emissions¹ and vehicles of all sizes are significant emitters of other toxic pollutants as well.

Gasoline-fueled vehicles account for 76 percent of GHG emissions from the on-road transportation sector, as indicated in Maryland's 2020 Greenhouse Gas Inventory. Under MDE's Climate Pollution Reduction Plan the ACC II and the ACT programs are key policies needed for Maryland to meet its climate targets. Indeed MDE has called the Advanced Clean Cars II program "our single largest existing climate pollution reduction strategy over the long term."

Trucks and other large vehicles constitute only 9 percent of vehicles on our roads but contribute 21 percent of carbon pollutants and a whopping 48 percent of small particulate matter (PM2.5) that gets trapped in lungs and can be found in the blood stream, leading to systemic impacts, including cardiovascular inflammation and impaired cardiac function.

Maryland has long-standing air quality non-attainment challenges, particularly for fine particle matter and ozone caused smog. Over 80 percent of Maryland residents live in areas designated by EPA as being in non-attainment of the National Ambient Air Quality Standards for ozone, with the Baltimore region and Cecil County being in serious non-attainment. Vehicles

¹ https://mde.maryland.gov/programs/air/climatechange/pages/greenhousegasinventory.aspx

are responsible for over 40 percent of Maryland's NOx emissions that contribute to the formation of smog. For ozone caused smog in Maryland, the American Lung Association's most recent State of the Air report showed that results for eight Maryland counties were improving, but that most counties that are part of metro areas, while improving slightly, still ranked among the worst 45 counties in the nation. Baltimore and Harford Counties received an F rating, while Prince George's County, although improving, received a D.

High levels of ozone and even small levels of small particle pollution can lead to significant adverse health consequences. Both can cause premature births and death, asthma attacks, heart attacks, strokes, and impaired cognitive function later in life. Small particle pollution can also cause lung cancer.

The State of the Air report praised Maryland's strong commitment to improving air quality, citing the adoption of the ACC II and ACT rules. And it was with good reason that Maryland adopted these laws and regulations. They both can help to reduce harmful air pollutants that impair our health and trap heat within the atmosphere, leading to global warming and climate change. These reasons still stand.

Achieving increased sales of hybrid electric and zero emissions vehicles is attainable. MDE has been part of the Clean Cars program since 2007. No clean car state, including Maryland, has imposed any penalties on vehicle manufacturers under that program. Indeed, ten years ago ten states, including Maryland, signed a Memorandum of Understanding committing to attaining 10 million zero emission's vehicles on the road within the next 10 years. That goal has been achieved, already reducing polluting emissions from vehicles in Maryland. Moreover, according to MDE, vehicle manufacturers are significantly exceeding the standards that apply in the final years of ACC I. They accrued enough carryover credits to maximize flexibility through MY2031. If vehicles manufacturers already can satisfy the ACCII standards through MY2031, what is the justification for delaying the enforcement and penalty provisions for MYs2027 and 2028?

The enforcement of ACT regulations does not even start in Maryland until MY2030, so delaying imposition of enforcement and penalty provisions under the ACT for MYs2027 and 2028 does not make sense. It is simply premature to consider any delay in enforcement or penalties under ACT. Manufacturers and dealerships have significant time to adjust, and Maryland and the private sector have time to install additional appropriate charging facilities. In California, where the ACT is already in effect, the state has exceeded its ACT goal two years ahead of schedule.

Providing a clear, consistent regulatory framework promotes market and business certainty and market and private sector adjustment. It reduces risk and accelerates any needed business investments. Maryland should not introduce uncertainty into this market. Businesses do not like uncertainty or change. But our world is changing and the adverse health impacts of pollutants only accelerates as climate warming accelerates.

With larger numbers of manufacturers offering qualifying vehicles, consumers and businesses

have more options at more price points.² With continued expansion of publically available vehicle charging stations and improved range, range anxiety is decreasing. We have every reason to believe that the goals under ACC II and the ACT will also be attainable. Suspension of the enforcement and penalty provisions for MYs 2027 and 2028 is not justified and significantly shortchanges the health of Maryland residents.

For these reasons I strongly oppose HB1556 and urge an UNFAVORABLE report in Committee.

Thank you.

² Options even for electric semis are increasing. Scania, Volvo, Freightliner and Tesla all offer models.

HB1556_Unfavorable_CMTA.pdf Uploaded by: Eric Norton



March 12, 2025

Testimony on HB 1556 – Environment - Advanced Clean Cars II Program and Advanced Clean Trucks Regulation - Application and Enforcement – Environment & Transportation Committee

Position: Unfavorable

The Central Maryland Transportation Alliance opposes HB 1556, which delays Maryland's enforcement of the Advanced Clean Cars II and Advanced Clean Trucks programs. In 2023, as required by law, the Maryland Department of the Environment (MDE) adopted the Advanced Clean Cars II and Advanced Clean Trucks regulations. These regulations require vehicle manufacturers to sell an increasing percentage of zero-emission passenger cars, school buses, trucks, and delivery vans from Model Year 2027 through 2035.

Transportation is the largest source of climate-damaging greenhouse gas (GHG) emissions and a leading source of toxic air pollution that is hazardous to human health. Gasoline-fueled vehicles account for 76% of GHG emissions from the on-road transportation sector, as indicated in Maryland's 2020 Greenhouse Gas Inventory. MDE's Climate Pollution Reduction Plan notes that the Advanced Clean Cars II and Advanced Clean Cars Trucks programs are key policies that are needed for Maryland to meet its climate targets.

Maryland's delay of the clean cars and clean trucks program would unnecessarily harm public health, significantly impede progress on achieving our climate goals, undo a decades-long legislative and regulatory process to reduce air pollution from Maryland vehicles, and erode consumer choice for more sustainable EVs.

We encourage an UNFAVORABLE report for House Bill 1556.

ECA testimony on HB1556 cars and trucks.pdfUploaded by: Frances Stewart



HB - UNFAVORABLE Frances Stewart, MD Elders Climate Action Maryland frances.stewart6@gmail.com 301-718-0446

HB1556

Meeting of the Environment and Transportation Committee

March 13, 2025

Dear Chair Korman, Vice Chair Boyce, and Members of the Committee, on behalf of Elders Climate Action Maryland, I urge an unfavorable favorable report on HB1556, which would delay the implementation of the Advanced Clean Cars II and Advanced Clean Trucks regulations by two years.

Elders Climate Action is a nationwide organization devoted to ensuring that our children, grandchildren, and future generations have a world in which they can thrive. The Maryland Chapter has members across the state.

Each day, we see the climate crisis more clearly. We know that Maryland is at risk for sea level rise, flooding from intense rainfall, heat waves, and other extreme weather events. Maryland can also be a leader in moving us to a safer, cleaner future where we all can thrive. The clean energy transition, including the move to zero-emissions vehicles, is an essential part of that future.

Maryland is one of twelve states and the District of Columbia that have adopted the Advanced Clean Cars II rule. In California and five other states, it goes into effect in model year 2025. In Maryland, six other states, and the District of Columbia, it will go into effect in model year 2027.

We are also one of eleven states that have adopted the Advanced Clean Trucks. The rule went into effect in model year 2024 in California and in model year 2025

in five other states. It will go into effect in Maryland and four other states in model year 2027. Maryland is not a first mover, and we are far from alone.

The transportation sector is the largest source of greenhouse gas emissions in Maryland and a major source of air pollution. The Advanced Clean Cars II and Advanced Clean Trucks rules are key components of the work to clean up transportation in Maryland. The Maryland Department of the Environment stated in a hearing earlier this year that "the Advanced Clean Cars II is our single largest existing climate pollution reduction strategy over the long term." Without these rules, we will not be able to meet our Climate Solutions Now goals or be able to protect the health of Maryland's communities.

A two-year delay might seem minimal, but the effects on our health and our climate are not. These rules will provide major benefits in reducing particulate pollution and NO_x . That NO_x pollution reacts with volatile organic compounds that are also released from the burning of fossil fuels to form ozone.

Most of us are well aware of the effects of these pollutants in causing or exacerbating asthma and other respiratory diseases, but the effects go far beyond that.¹ They include increased risks for heart attacks, abnormal heart rhythms, strokes, diabetes, lung cancer, Parkinson's disease, Alzheimer's disease, other forms of dementia, anxiety, depression, increased susceptibility to infections, and premature death.

The risks are particularly severe to children. They include an increased risk of preterm birth and low birth weight, increased fetal and infant mortality, impaired neurological development and cognition, reduced lung development, and the development of new cases of asthma.

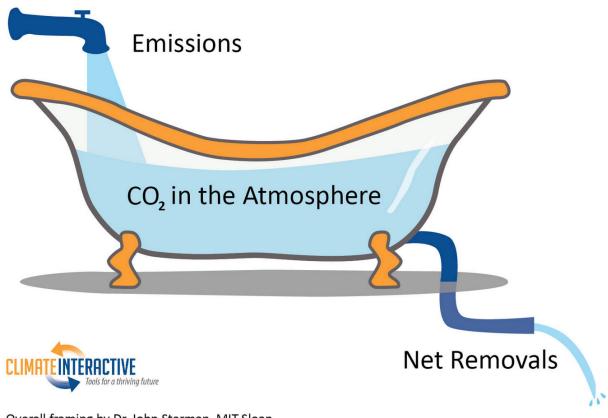
If the implementation of the rules and the resulting improvement in air quality is delayed for two years, those health risks will decrease once the rules take effect. But that will be little comfort to a child who faces a lifelong struggle with asthma, a family who has lost a baby, or an older person who has developed dementia.

These risks affect everyone who lives or works near a highway or a busy street, but they are most severe in areas with a lot of truck traffic, such as an area with multiple warehouses or near the Port of Baltimore. Most of those areas are in communities of color.

The damage to our climate from delaying these rules is less obvious, but no less real. Most of us are familiar with the time value of money. There is also a time value of carbon.

We tend to focus on our yearly greenhouse gas emissions, but emissions are cumulative. Most of the carbon dioxide² we emit today will remain in the atmosphere for centuries as the levels continue to rise. Any intervention that reduces emissions now is more valuable than the same intervention two years later.

One way to visualize this is the bathtub analogy³ created by Dr. John Sherman at MIT. The sooner you turn off the tap, the less likely your bathtub is to overflow.



Overall framing by Dr. John Sterman, MIT Sloan

Removing carbon dioxide from the atmosphere is much, much more difficult and expensive than avoiding the emissions in the first place.

We understand that the changes from the Trump administration are causing a lot of uncertainty and confusion, but now it is essential for the states to lead on climate.

For all of these reasons, we strongly urge an unfavorable report on HB.

- 1 https://ww2.arb.ca.gov/our-work/programs/advanced-clean-cars-program/states-have-adopted-californias-vehicle-regulations
- 2 https://www.lung.org/research/sota/health-risks
- $3 \; \underline{\text{https://climate.mit.edu/ask-mit/how-do-we-know-how-long-carbon-dioxide-remains-atmosphere} \\$

HB 1556 - MoCo DEP - Fitzgerald_OPP (GA 25).pdf Uploaded by: Garrett Fitzgerald

ROCKVILLE: 240-777-6550 ANNAPOLIS: 240-777-8270

HB 1556 DATE: March 13, 2025

SPONSOR: Delegate Stein

ASSIGNED TO: Environment and Transportation Committee

CONTACT PERSON: Garrett Fitzgerald (garrett.fitzgerald@montgomerycountymd.gov)

POSITION: Oppose (Department of Environmental Protection)

Environment – Advanced Clean Cars II Program and Advanced Clean Trucks Regulation – Application and Enforcement

This legislation would prohibit the Department of the Environment (MDE) from enforcing requirements under the California Advanced Clean Cars II Program or the Advanced Clean Trucks regulation for the model years 2027 and 2028.

Electric vehicles (EVs) have an important role to play as we strive to achieve ambitious and important State and local climate goals. EV ownership is growing rapidly and the EV transition has gained momentum here in Montgomery County and throughout Maryland.

Section 177 of the Clean Air Act Amendments of 1990 provides states the option to adopt California's vehicle emissions standards in lieu of federal standards as long as the adopted state program is identical to the California program. Through the Maryland Clean Cars Act of 2007, the General Assembly established that Maryland would follow the California standards. The California Air Resources Board adopted the Advanced Clean Cars II regulations in 2022 requiring that increasing percentages of new passenger cars, light trucks and SUVs sold in California be zero-emission vehicles starting with model year 2026, and that internal combustion engine vehicles meet increasingly stringent pollution standards during the period in which they continue to be sold. Pursuant to the requirements of the Maryland Clean Cars Act of 2007, MDE adopted California's Advanced Clean Cars II regulations in 2023 to be applied starting with the 2027 model year.

This legislation would directly contradict established State law, undermine State and local efforts to date to grow customer EV adoption, and send a signal that Maryland is not serious about its existing climate commitments.

We respectfully request that the Environment and Transportation Committee issue an unfavorable report on House Bill 1556.

HB1556 - Oppose.pdfUploaded by: Jed Weeks Position: UNF



House Environment and Transportation Committee 250-251 Taylor House Office Building Annapolis, MD 21401 - 1991

OPPOSE: HB1556 - Environment - Advanced Clean Cars II Program and Advanced Clean Trucks Regulation - Application and **Enforcement**

Bikemore, Baltimore City's livable streets advocacy organization, is writing in strong opposition to HB1556.

Bikemore represents 8000 regularly engaged constituents in the Baltimore area and the 30% of residents in the city that lack access to a car and rely on walking, biking, and public transit to get to their life needs.

There is no market, policy, or science driven reason to delay implementation of Advanced Clean Cars II or the Advanced Clean Truck programs. Other states with far larger automobile markets are moving forward with these programs and manufacturers and dealers will be forced to adjust and comply with these programs unless we open the door to deregulation now.

These groups are targeting Maryland, hoping we will cave, and giving a precedent that will lead to a rout of other legislation across the country and empowerment of Republican voices in Washington that are aiming to overturn and ban these regulations across the country.

Air pollution related deaths in Baltimore City outpace deaths related to gun violence. The transportation sector is the largest source of these emissions in our region. Our state has chosen to invest in expanding car infrastructure instead of transit in our region for the past 30 years. This has placed us in a position where the only path to quickly addressing air pollution related deaths is regulation of automobiles through these programs.

A vote for this legislation is a vote for putting the profit of automobile manufacturers and dealers over the lives of vulnerable Baltimoreans, who will experience increased disease and death as a result of implementation delay.

Sincerely,

Jed Weeks

Executive Director

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Estimate_202227_from_Gateau_Distinctive_Cakes.pdf Uploaded by: Johanna Wermers

Gateau Distinctive Cakes

7498 Edington Dr Warrenton, VA 20187 +1 5403479188 lora@gateaubakery.com



Estimate 2022-27

ADDRESS

Eric & Samantha Wermers 2406785823 smwermers@gmail.com

DATE 10/20/2022 TOTAL **\$1,215.94** EXPIRATION DATE 10/27/2022

VENUEAirlie Center

EVENT DATE

06/24/2023

DATE	ACTIVITY		QTY	RATE	AMOUNT
06/24/2023	Custom Cake 4 tier cake, 130 servings. 6" and *' tier are Velvet Vanilla flavor 10" tier is Wedding Bliss flavor 12" tier is Lemon Cream flavor		130	8.75	1,137.50
	White fondant with piped lace design cascading down front side of cake, tone on tone, similar to attached photo. Fresh flowers as supplied by client's florist, to be placed on cake by Gateau at delivery.				
06/24/2023	Delivery Airlie Center, pavilion 6809 Airlie Rd, Warrenton VA 20187		1	50.00	50.00
	Time TBD				
A 25% non-refundable deposit of \$303.99 is required to book your date, along with the signed Estimate and a signed Terms of Agreement page, attached here.		SUBTOTAL TAX (2.5%)			1,187.50 28.44
Balance payment is due 18 days prior to your event. The final invoice is emailed to you about 3 weeks prior for confirmation of details and for balance payment.		TOTAL			\$1,215.94
					THANK YOU.

Accepted By Accepted Date

Sanothera

10/23/2022

Testimony HB1556_ACC ACT regs_TCM MoCo_UnfavorableUploaded by: Karl Held

Committee: Environment and Transportation

Testimony on: HB1556 – Environment - Advanced Clean Cars II Program and

Advanced Clean Trucks Regulation - Application and Enforcement

Organization: The Climate Mobilization, Montgomery County Chapter

Submitting: Karl Held Position: Unfavorable

Hearing Date: February 12, 2025

Dear Chair Korman and Committee Members:

Thank you for allowing The Climate Mobilization, Montgomery (TCM MoCo) testimony today in opposition to HB1556.

HB1556 would prohibit the state or local jurisdictions from restricting the sale, purchase or use of any tangible product based on the energy source it uses. That definition specifically includes motor vehicles and appliances. More broadly, it repeals the state's low emissions vehicle program, Advanced Clean Cars II regulations and Advanced Clean Trucks regulations. These regulations require vehicle manufacturers to sell an increasing percentage of zero emission cars, trucks, delivery vans and school buses from Model Year 2027 through 2035 and are based on the California Air Resources Board's (CARB) rules. The Maryland Department of the Environment (MDE) adopted the CARB rules under the authority of the Maryland Clean Cars Act of 2007 and Clean Trucks Act of 2023.

The transportation sector is Maryland's number one generator of greenhouse gas emissions¹ and vehicles of all sizes are significant emitters of other toxic pollutants as well. Gasoline-fueled vehicles account for 76 percent of GHG emissions from the on-road transportation sector, as indicated in Maryland's 2020 Greenhouse Gas Inventory. Under MDE's Climate Pollution Reduction Plan, the Advanced Clean Cars II and Advanced Clean Trucks programs are key policies needed for Maryland to meet its climate targets. Indeed MDE has called the Advanced Clean Cars II program "our single largest existing climate pollution reduction strategy over the long term."

Trucks and other large vehicles constitute only 9 percent of vehicles on our roads but contribute 21 percent of carbon pollutants but a whopping 48 percent of small particulate matter (PM2.5) that gets trapped in lungs and can be found in the bloodstream, leading to systemic impacts, including cardiovascular inflammation and function.

In addition, high levels of ozone and even small levels of particle pollution can lead to significant adverse health consequences. Both ozone and particle pollution can cause premature births and death, asthma attacks, heart attacks, strokes, and impaired cognitive function later in life. Particle pollution can also cause lung cancer.

The enforcement of the Advanced Clean Cars II regulations does not start until MY2027. The

¹ https://mde.maryland.gov/programs/air/climatechange/pages/greenhousegasinventory.aspx

enforcement of Advanced Clean Trucks regulations does not start until MY2030, providing even more time for the market, including manufacturers and dealerships, to adjust and for appropriate charging facilities to expand. While Maryland's <u>regulations</u> must remain identical to California's regulations, MDE has complete discretion over the application of penalties to manufacturers should any be necessary.

Providing a clear, consistent regulatory framework promotes market and business certainty and adjustment. It reduces risk and accelerates any needed business investments. Maryland should not introduce uncertainty into this market. Businesses do not like uncertainty or change. But our world is changing and the adverse health impacts of pollutants only accelerates as climate warming accelerates.

With larger numbers of manufacturers offering qualifying vehicles, consumers and businesses have more options at more price points.² With continued expansion of publically available vehicle charging stations and improved range, range anxiety is decreasing. We have every reason to believe that the goals under Advanced Clean Cars II and the Advance Trucks Rule will also be attainable. It is premature to delay these two programs that will clean Maryland's air and reduce Maryland's carbon emissions.

For these reasons, TCM MoCo opposes HB1556 and urges an UNFAVORABLE report in Committee. Thank you.

2

² Options even for electric semis are increasing. Scania, Volvo, Freightliner and Tesla all offer models.

2025.03.12_HB1556_ACC and ACT_UNF_Advanced Energy Uploaded by: Katie Mettle



March 12, 2025

Environment and Transportation Committee Maryland House of Delegates

HB 1556

Environment – Advanced Clean Cars II Program and Advanced Clean Trucks Regulation – Application and Enforcement

Sponsor: Delegate Dana Stein

Katie Mettle Policy Principal, Advanced Energy United

UNFAVORABLE

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

For the record, my name is Katie Mettle, and I am the Maryland Policy Principal for Advanced Energy United. We are a national industry association of businesses working to accelerate both transportation electrification and to grow clean energy industries in the United States. Our membership includes a broad coalition of vehicle manufacturers that produce light-, medium-, and heavy-duty electric vehicles (EV); charging infrastructure providers; vehicle fleet operators; and firms that provide supportive technologies, and services to identify electrified transportation solutions.

Advanced Energy United opposes HB 1556. This bill will suspend enforcement and penalty provisions for failure to meet the California Advanced Clean Cars II (ACCII) Program or the

Advanced Clean Trucks (ACT) Regulations for model years 2027 and 2028. This effectively delays implementation of these laws until model year 2029.

ACT does not place purchasing requirements on dealers or fleets, nor does it mandate fleet-wide compliance. ACCII and ACT provide manufacturers with several flexible compliance tools, including credit averaging, banking, hybrid truck sales, and secondary market credit trading, which allow car and truck manufacturers to meet their targets. In addition, manufacturers have up to three years to resolve compliance shortfalls before enforcement.

ACT rewards early action. These rules incentivize early movers to over-deliver, which improves the near-term economics of EV manufacturing and creates pathways for others to achieve lower-cost compliance. The result is a market-driven transition that prioritizes emission reductions without unnecessary regulatory burden.

With clearly defined, long-term EV sales targets, the regulations allow businesses throughout the supply chain and in adjacent industries to confidently invest, and to create predictability for resource adequacy and utility forecasting. Delaying the implementation of ACCII and ACT would create uncertainty.

If ACT implementation begins with Model Year 2027 instead of 2025, manufacturers will face a steep 15% zero-emission sales mandate for Class 8 trucks immediately in 2027, compared to the more gradual 7% requirement beginning in 2025. This compressed timeline risks overwhelming supply chains, utilities, and fleet operators.

Experience from other ACT states demonstrates that the industry is well-positioned to meet the regulation's targets. In California and Oregon, truck manufacturers are already earning early credits and exceeding compliance schedules¹. These states illustrate that the market is prepared for the transition and that maintaining ACT timelines drives innovation and investment. Delaying the rule would disrupt credit accrual systems, eroding the market stability necessary for manufacturers to achieve long -term compliance.

We respectfully request an unfavorable report. Thank you for your time and consideration.

Best Regards,

Oregon Department of Environmental Quality, Advanced Clean Trucks Reporting, available at

Katie Mettle

Principal

Advanced Energy United

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Testimony on HB1556 Advanced Clean Cars II Program and Advanced Clean Trucks Regulation - Application and Enforcement **House Environment and Transportation Committee**

March 12, 2025 **POSITION: OPPOSE**

On behalf of our over 7,000 supporters in Maryland, the Union of Concerned Scientists opposes HB1556, which would delay life-saving regulations that protect against toxic diesel air pollution. The Advanced Clean Cars II (ACCII) rule and the Advanced Clean Trucks (ACT) rule ensure that manufacturers make available zero-emissions technologies that would result in significant climate, health, and economic benefits.

These are some of the largest climate pollution reduction strategies to address the transportation sector, the largest sector contributing to climate change in Maryland. UCS analysis shows that a delay of the ACT by two years would result in hundreds of millions of dollars in public health harms from premature death to increased respiratory illnesses for Marylanders. These impacts are already those that fall hardest on communities of color and low-income communities concentrated near high traffic corridors—already Black and Latine Marylanders are exposed to 21-22% more transportation pollution, respectively, than their White counterparts in the state.ⁱⁱ

Of note, both rules include numerous compliance flexibilities that make compliance in early years feasible for manufacturers. For ACCII, compliance flexibilities have been added on top of the existing ACCI program. Manufacturers will be able to take advantage of excess credits from years prior to MY27, environmental justice credits, banking, pooling, and trading of credits, use of plug-in hybrid electric vehicles for compliance.iii For ACT, flexibilities include early action credits, banking, pooling, and trading of credits, use of plug-in hybrid electric vehicles for compliance, and interchangeability between vehicle classes. iv Northeast States for Coordinated Air Use Management (NESCAUM), the nonprofit that supports administration of the crediting programs, has noted that for ACCII, these compliance flexibilities could bring the required share of zero emission and plug-in hybrid electric vehicles down to 15% in MY2027, the first year Maryland will implement the program.

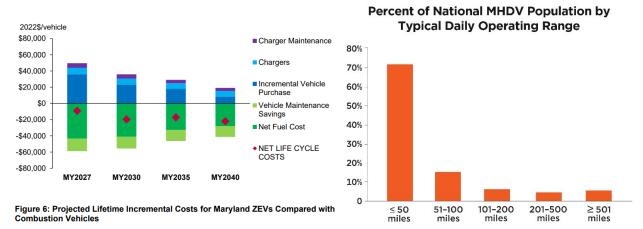
Meanwhile, vehicle manufacturers determine product availability, but have engaged in practices that hold back life-saving pollution control technologies. For one, truck manufacturers have set arbitrary sales restrictions in a practice known as "ratio-ing". According to interviews with dealers and manufacturers done by the California Air Resources Board (CARB), vi truck manufacturers have been telling dealerships that limited availability is driven by compliance with the ACT regulation when it is not. In addition, truck manufacturers may be price gouging, with costs nearly \$90,000 per truck higher in the US than a comparable EV goes for on the European market.vii They neglect

Union of

ucsusa.org Two Brattle Square, Cambridge, MA 02138-3780 t 617.547.5552 f 617.864.9405 oncerned Scientists 1825 K Street NW, Suite 800, Washington, DC 20006-1232 t 202.223.6133 f 202.223.6162 500 12th Street, Suite 340, Oakland, CA 94607-4087 t 510.843.1872 f 510.843.3785 One North LaSalle Street, Suite 1904, Chicago, IL 60602-4064 t 312.578.1750 f 312.578.1751

to mention the crediting and compliance flexibilities built into the rule and the additional flexibilities recently negotiated between CARB and truck manufacturers, along with their commitment to meeting these emissions requirements. viii

In addition, fleets' bottom lines stand to gain from zero-emissions truck technologies. Analysis by Environmental Resource Management has shown that the Advanced Clean Trucks rule would save fleets over \$1.4 billion in operating costs through 2050, mainly from reduced fuel and maintenance costs. ix Indeed the electric truck market is in a new phase, with exponential growth in new registration of zero-emission trucks and buses and over 85% of trucks and buses traveling less than 100 miles each day, well within the range of currently available zero-emissions models.^x



We strongly urge an unfavorable report on HB1556.

Dave Cooke, 2024. "Trucking Industry Disinformation Will Cost Lives", The Equation (UCS Blog), 30 October, https://blog.ucsusa.org/dave-cooke/trucking-industry-disinformation-will-cost-lives/. Given the higher ACT manufacturer sales requirements when Maryland will start to adopt the program, these delays will cost even more than in other states.

ⁱⁱ Maria Cecilia Pinto de Moura, 2019. "Inequitable Exposure to Air Pollution from Vehicles in Maryland", *The* Equation (UCS Blog), 15 November, https://blog.ucsusa.org/cecilia-moura/air-pollution-from-vehiclesmaryland/; Kevin X. Shen, 2022. Exposure to Diesel Particulate Pollution in Maryland. Cambridge, MA: Union of Concerned Scientists. https://www.ucsusa.org/resources/diesel-pollution-md.

iii NESCAUM, 2024. "Advanced Clean Cars II: Zero-Emission Vehicle Regulation Frequently Asked Questions", https://www.nescaum.org/documents/ACC-II-ZEV-FAQs 08-29-24.pdf

iv NESCAUM, 2024. "Advanced Clean Trucks Regulation Frequently Asked Questions", https://www.nescaum.org/documents/ACT-FAQ_website-version_clean_FINAL_09-17-24.pdf

 $^{^{}ee}$ Megan Toole, 2025. "Advanced Clean Cars and Trucks: Testimony to the Vermont House Transportation Committee". February 12,

https://legislature.vermont.gov/Documents/2026/Workgroups/House%20Transportation/Transportation%20Is sues/Electric%20Vehicles/W-Megan%20O'Toole-Advanced%20Clean%20Cars%20and%20Trucks,%20Northeast%20 States%20for%20Coordinated%20Air%20Use%20Management~2-12-2025.pdf at 15.

vi Steven S. Cliff, 2024. "California Truck Availability Analysis", Memo to CARB Board Members, https://ww2.arb.ca.gov/sites/default/files/2024-09/240925_actmemo_ADA_0.pdf at 4.

vii California Truck Availability Analysis at 9.

viii CARB, 2023. "CARB and truck and engine manufacturers announce unprecedented partnership to meet clean air goals." News release. July 6. https://ww2.arb.ca.gov/news/carb-and-truck-and-enginemanufacturers-announce-unprecedented-partnership-meet-clean-air.

ix Environmental Resources Management (ERM), 2023. Maryland Clean Trucks Program, August. https://www.ucsusa.org/sites/default/files/2023-08/md-clean-trucks-report.pdf at A-2.

[×] Wilson, Sam. 2025. Ready for Work 2.0: On the Road to Clean Trucks. Cambridge, MA: Union of Concerned Scientists. https://www.ucsusa.org/resources/ready-work-2.

UCS_Time For a U-Turn_Automaker History of Intrans Uploaded by: Kevin Shen

EXECUTIVE SUMMARY

Time for a U-Turn

HIGHLIGHTS

Over the decades, automobiles have improved tremendously—unfortunately, the automobile industry has not. As this report shows, automakers have consistently fought to block or undercut rules on safety and the environment, utilizing exaggerated rhetoric, misinformation, and political influence to undermine the public interest. At the same time, the industry has proven up to each new engineering challenge. Industry is again standing in the way of progress, fighting fuel economy and emissions standards which not only reduce emissions and oil but put fuel savings back in the pocketbooks of their customers. Today, the industry faces an opportunity to turn away from its long history of intransigence by living up to its promises to reduce emissions and oil use and supporting strong standards.

Automakers' History of Intransigence and an Opportunity for Change

Since the 1950s, automobiles have become dramatically safer and cleaner, and they travel much farther on a gallon of gas, all to the benefit of drivers, communities, and the environment. These improvements have come about thanks to strong, effective public policies. Laws like the Clean Air Act, the National Traffic and Motor Vehicle Safety Act, and the Energy Independence and Security Act have been essential to putting cleaner, safer vehicles on the road and protecting generations of Americans.

Unfortunately, mirroring this record of progress is another pattern: the intransigence of an auto industry that consistently fights to block or undercut rules on safety and the environment, even as automakers have managed to meet every challenge laid out for them in federal policy.

Time for a U-Turn looks at how automakers and their trade groups have fought against the rules and standards that have delivered better cars to the nation. Through exaggerated rhetoric, misinformation, and political influence, automakers have undermined the public interest.

In 2009, automakers seemed to turn over a new leaf as they began working with federal agencies to design new, flexible standards so that cars and trucks would consume less oil and emit less global warming pollution. Those standards, implemented beginning in 2012, have worked well—but old patterns are repeating themselves. The industry's trade groups are again trying to renege on promises they made to the American people.



After decades of fighting against improved fuel economy and safety standards, it's time for the auto industry turn away from its "can't-do" attitude and put the American public first.

For at least the next 10 years, auto manufacturers collaborated to stave off rules and even technologies designed to limit smogcausing emissions.

Automakers have an opportunity to leave behind their history of intransigence. It is time they live up to their public statements, bring clean and efficient vehicles to market, support strong, technology-forcing standards, and ensure that their industry rises to the challenges of the 21st century.

Scare Tactics

In response to proposals to improve passenger vehicles, automakers have deployed a consistent line of attack to scare policymakers.

- "It cannot be done:" Automakers overstate technical challenges to meeting new rules.
- "It will cost too much:" They claim that complying with new standards will cost far more than federal agencies estimate.
- "It will destroy the industry and kill jobs:" They
 cast every new requirement as a potential apocalypse for
 automakers, leading to mass layoffs and closed factories.
- "Consumers do not want this:" Their industry
 groups suggest that automakers must choose whether
 to produce vehicles that customers want or vehicles
 the new rules would mandate.
- **"The science is not clear:"** On issues like air pollution, climate change, and the effectiveness of seat belts, auto companies and trade groups attack the science, inflate uncertainty, and deny or question the facts.
- "The market will solve it:" Whatever the issue, automakers claim that voluntary, self-enforcement is sufficient.

Time after time, all these arguments have been proven wrong. The record shows that automakers have over-performed when faced with new rules. Rising to each challenge, they have implemented innovative solutions, complying with health, environmental, and safety standards at lower cost than even the agencies had initially estimated.

An Historic Pattern

The auto industry's tactics of denial, delay, and hyperbole have emerged at pivotal points throughout the last seven decades.

As early as 1950, research showed that auto exhaust was a principal factor in the growing problem of smog. For at least the next 10 years, auto manufacturers collaborated to stave off rules and even technologies designed to limit smog-causing emissions. Wielding strategies that would become standard, automakers insisted they could not implement pollution-control technologies and worked behind the scenes to delay the development and adoption of such devices. A cooperative venture begun by industry in 1955, ostensibly to explore answers to smog, instead gave automakers an arena for collaborating to delay solutions. It took action by California, as well as innovations by independent auto-parts suppliers, finally to bring such technologies to market.

In the years that followed, similar tactics and arguments appeared again and again. As Congress debated the Clean Air Act of 1970, Ford CEO Lee Iacocca insisted that the legislation "could prevent continued production of automobiles" and "do irreparable harm to the American economy." General Motors took out national ads insisting that the act was unnecessary because automakers could reduce emissions voluntarily. A Chrysler Corporation ad claimed—falsely—that "there is no scientific evidence showing a threat to health from automotive emissions in the normal, average air you breathe." As a group, these automakers insisted that it was technologically impossible to build cars that could achieve the act's 1975 targets.

Industry leaders used the same tactics to delay or block regulations requiring catalytic converters, fuel-economy improvements, and even safety features like seat belts and airbags. As chairman and CEO of Ford, Henry Ford II called 1966 requirements for seat belts and safety glass "arbitrary, unreasonable, and technically infeasible," suggesting they might cause Ford to "close down."

Needless to say, the auto industry not only still exists but is thriving, delivering vehicles equipped with a wide range of environmental, health, and safety features targeted by automakers in decades past as impossible.

Recession, Recovery and New Standards

Ten years ago, America's automakers faced a crisis. The recession hit the industry hard, and it faced a potential collapse that would take millions of jobs down with it. Through 2008, 2009, and 2010, the federal government's emergency



Philadelphia was one of a number of cities experiencing smog well into the 1970s, thanks largely to increases in automobile usage. Automakers spent decades fighting smog reduction regulations, even after the passage of the Clean Air Act.

measures—including loans to all three domestic manufacturers (the "Big Three") and bankruptcy and restructuring for (General Motors) GM and Chrysler—brought auto companies through the crisis.

While many factors had threatened the industry, one was certainly the fact that they had let improvements in fuel economy stall, instead offering more SUVs and trucks and minimizing investments in more efficient cars. This left them unprepared for the shift in economic conditions and gas prices. "We had data about consumers' preferences about fuel economy, but we chose to ignore it; we thought it was an anomaly," said former GM economist Walter McManus in 2010. "But it's by having a bias against fuel economy that we've put ourselves in the pickle we're in now."

As automakers emerged from the crisis, they entered into negotiations with the federal government to build a new program of fuel economy and emissions standards. In 2010, President Barack Obama and industry leaders agreed to implement new standards that would include flexibility based on vehicle size. Responding to consumer choice, the goal was to deliver more efficient models of every vehicle class every year. This was the promise automakers offered the American people: cars and trucks of all sizes that would use less gasoline and emit fewer global warming emissions.

Those standards have worked. Today, automakers are meeting or even exceeding the standards' targets, and drivers

have saved nearly \$50 billion at the pump. At the same time, the auto industry has more than recovered: it recorded record sales numbers in 2015 and 2016 and is on track to continue that success in 2017.

In 2016, federal agencies kicked off a required midterm review of the standards and issued a report assessing them: they are succeeding at lower cost than initially anticipated. That report, based on a thorough, robust scientific analysis as well as extensive stakeholder input, led the Environmental Protection Agency (EPA) to announce, in January 2017, that the standards can and should proceed as planned.

However, in the months since, automakers have retreated from their commitments, seeing opportunity in a new administration and new leadership at the EPA and the US Department of Transportation. Using tactics familiar from decades of opposition, the industry and its trade groups are pushing at every level to weaken and roll back today's standards.

The State of the Industry Today

It is impossible to imagine retreating from decades of progress. No manufacturer would sell a vehicle to the general public without seat belts or airbags or market a vehicle that lacks basic pollution controls. The nation has raised the bar despite the intransigence of the auto industry. And while strong

December 31, 1970 Congress passes the Clean October 17, 1973 August 13, 1959 Air Act, requiring vehicles Volvo installs the first three-The Organization of Arab Petroleum sold in 1975 and later to Exporting Countries proclaims an point seat belt in a production meet specific federal limits automobile, a design used in embargo on oil shipments to the on tailpipe emissions. December 1950 essentially all vehicles today. United States, causing a spike in Three years later, they release gasoline prices and fuel shortage. Dr. Arie Haagen-Smit's the patent to all automakers, but research reveals the few American car com-panies origin of smog, including February 15, 1977 1971-1981 deploy the system (Volvo tailpipe emissions from Tom Quinn of the California Air "For nearly a decade, 2009). cars (Haagen-Smit 1950). Resources Board: "Our experience in the automobile California shows that industry generally industry waged the overstates its difficulties in meeting regulatory equivalent new standards" (Quinn 1977). **April 5, 1955** of war against the Automakers begin airbag and lost" March 31, 1981 "14 years of foot-**December 14, 1966** (US Supreme Court **December 22, 1975** General Motors holds dragging" on addressing Henry Ford II: "Many of the 1983). Automakers Congress passes the Energy a press conference the problem of tailpipe temporary [safety] standards were able to eliminate Policy and Conservation Act, to ask the Reagan pollution by formally are unreasonable, arbitrary, requirements for requiring manufacturers to administration to entering a cooperative and technically unfeasible.... airbags, but in nearly double the average fuel loosen a number of agreement that restricted If we can't meet them when 1983 the Supreme economy across their car fleets pollution requirethe development and they are published, we'll have Court reinstated to 27.5 miles per gallon by 1985. ments, claiming that to close down" (AP 1966). delayed the adoption the requirements. the health impacts of of emissions reductions By 1988 airbags were automobile pollution technologies required in all new are overblown (US Senate 1973). passenger vehicles. (Shabecoff 1981). 1950 1960 1970 1980 January 27, 1954 **June 1964** Researchers from the The California Motor automotive industry April 27, 1971 promise to "do whatever Vehicle Pollution Control Lee Iacocca of Ford urges President [they] possibly can to Board certifies the first October 1, 1980 Nixon to delay or eliminate requiring assist in the solution of the tailpipe emissions air bags in new cars: "You're going to After six years of delay thanks automobile exhaust fumes' controls, requiring the break us. . . . We cannot carry the load to automaker interference, the part in air pollution" installation of pollution September of inflation in wages and safety in a tailpipe emissions standards control devices on all (Krier and Ursin four-year period without breaking our 12, 1974 codified in the Clean Air Act for 1977). new automobiles in this back" (Nixon et al. 1971). General Motors 1975 finally go into effect for state beginning with the the 1981 model year. promotes the 1966 model year. catalytic converter, which October 4, 1975 it touts as "an January 1957 E.M. Estes of GM: "If [the Energy **April 11, 1973** answer to the The industry-funded Air Pollution Policy and Conservation Act] Ernie Starkman of GM: automotive air Foundation finds that "auto becomes law. . . the largest car "If GM is forced to introduce pollution exhaust is the major factor in LA September 9, 1970 the industry will be selling in any problem" that catalytic converter systems smog," but automakers continue volume at all will probably be Lee Iacocca of Ford: "[The across on the board on 1975 "improve[s] to point the finger elsewhere smaller, lighter, and less powerful Clean Air Act] could prevent models . . . it is conceivable that performance and (Krier and Ursin 1977). than today's compact Chevy continued production of complete stoppage ...increase[s] Nova" (BW 1975). automobiles . . . [and] do of the entire production miles per gallon." irreparable harm to the could occur" (US Court (GM 1974) American economy" of Appeals 1973). (Iacocca 1970).

Over the course of almost 70 years, the American automaker industry has maintained a "can't-do attitude" on tailpipe pollution, driver and passenger safety, and fuel economy and climate change, placing profits ahead of the needs of the public.

March 1, 1985

Ford and GM petition the National Highway Traffic Safety Administration to reduce fuel economy standards for the 1986, 1987, and 1988 model years, claiming that they would need to "deprive our customers of a product they want" in order to meet the standards, and that "if [they] have to pay fines, it will be with the capital . . . [needed] to develop more fuel-efficient cars" (Conte 1985).

October 1, 1985

NHTSA lowers fuel economy standards for 1986. It repeated the action one year later, reducing standards for 1987 and 1988, leaving GM "pleased" (Brown 1986).

November 1, 1989

Detroit automakers wage an ad campaign against stronger emissions standards, claiming there will be little public health benefit, little impact on lower fuel economy, a shortage of available vehicle models, driving performance issues, and higher costs for consumers.

July 11, 1995

A measure supported by House Majority Whip Tom DeLay prohibits NHTSA from setting new fuel economy standards; it appears in every appropriations bill for the Department of Transportation during the Clinton administration.

July 17, 1997

Robert Eaton, CEO of Chrysler, writes, "Autos are not a major contributor to total global warming emissions in the environment" and calls for delaying action on climate change. "It would be an unwise and unnecessary move even if scientists could agree that the earth's atmosphere is getting warmer because of manmade carbon dioxide and other gases. It becomes even more so given the fact that they can't" (Eaton 1997).

June 14, 2000

Walter Huizenga, president of a dealer trade group: "If Congress mandates an increase in fuel economy, certain models of pickups, minivans, and sport-utility vehicles could potentially be eliminated from the market" (AIADA 2000).

February 10, 2017

May 19, 2009

President Obama

announces first joint

fuel economy and global

warming emissions stan-

dards. Automakers, labor,

and environmental groups

supported the announce-

ment, and representatives

of all three constituencies

announcement from the

White House.

flanked the President in the

Every major automaker CEO signs a letter to President Trump requesting the midterm review be re-opened, citing a widely debunked claim that a million jobs are at risk and that costs to meet the standards exceed both EPA and NHTSA estimates.

December 31, 2016

Automakers enjoy back-to-back years of record-setting sales, selling 17.55 million vehicles in 2016.

2010

May 2, 1989

Robert Liberatore of Chrysler: "We believe that the potential impact of CAFE on the global issue of planetary warming are [sic] difficult to demonstrate" (US Senate 1989a).

August 11, 1985

Lee Iacocca, now of Chrysler, defends fuel economy standards: "Dialing back fuel standards on cars will set up the American people to be energy hostages again and again" (Chrysler 1985b).

November 1996

As part of a campaign against stronger air quality standards, Richard Klimisch of the American Automobile Manufacturers Association claims, "The effects of ozone are not that serious... what we're talking about is a temporary loss in lung function of 20 to 30 percent. That's not really a health effect" (Warrick 1996).

October 1994

In response to a possible increase in light truck fuel economy standards, that such action "would our business" (Templin 1994).

February 28, 2007

2000

With gas prices rising and impending bankruptcies for Chrysler and GM, ex-GM economist Walter McManus noted the industry's reticence to adapt: "[The industry has] had a change of heart, but it's fairly recent. We had data about consumers' preferences about fuel economy, but we chose to ignore it; we thought it was an anomaly. But it's by having a bias against fuel economy that we've put ourselves in the pickle we're in now" (Jones 2007).

January 12, 2017

After extensive analysis, EPA affirms the 2025 standards while acknowledging that manufacturers could meet even stronger standards.

1990

Robert Liberatore of Chrysler declares have a very destructive effect on

August 1999

The Alliance of Automobile Manufacturers fights Tier 2 tailpipe emissions standards, claiming that the regulations are neither necessary nor feasible.

October 21, 2015

Automaker trade associations testify in support of legislation that would allow auto manu-facturers to meet fuel economy standards in part by adopting safety technologies that had not been proven to reduce oil consumption. The action is the first in a number of bills that automakers advocate for in Congress that would undermine vehicle efficiency standards.

- Tailpipe Pollution
- Safety
- Fuel Economy and Global Warming Emissions

standards have pushed manufacturers to make the cleanest, safest cars in history, the industry is grossing \$600 billion in the United States alone, accounting for 3 percent of the US economy.

Drivers have benefited enormously from the advances in auto technology over the past decades, despite the industry's repeated efforts to derail the policies that have helped us progress. We cannot let the apocalyptic claims of auto industry executives and trade groups derail policies needed to improve cars and trucks for America's drivers.

Today, automakers are meeting or even exceeding the standards' targets, and drivers have saved nearly \$50 billion at the pump.

What Comes Next?

We have seen, repeatedly, what bad behavior from auto manufacturers looks like, but that pattern does not have to continue. Automakers have an opportunity to be honest and responsible as they address policy changes, and they can translate highminded rhetoric about sustainability into action.

In 2009, Bill Ford, now executive chairman of the Ford Motor Company, said in an interview, "I hope that we will be recognized by customers for being a leader in the application of technology that makes their lives better." On Ford's website, he says, "Nothing is more important to me than our reputation as a family company that people trust to do the right thing."

Automakers can live up to those words. To build trust with the public and leave a history of intransigence behind, they must:

- support strong safety and emissions standards and keep the promises they made to the American people to build cleaner cars;
- distance themselves from trade groups that seek to undermine today's standards, and make it clear that these groups do not speak for all automakers on issues of safety and the environment: and
- cease spreading disinformation about the standards and their impacts.

Concerned Scientists

FIND THE FULL REPORT ONLINE: www.ucsusa.org/automaker-uturn

The Union of Concerned Scientists puts rigorous, independent science to work to solve our planet's most pressing problems. Joining with people across the country, we combine technical analysis and effective advocacy to create innovative, practical solutions for a healthy, safe, and sustainable future.

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HB1556_Advanced Clean Cars II Program & Advanced C Uploaded by: Laurie McGilvray

Position: UNF



Committee: Environment and Transportation

Testimony on: HB1556 - Advanced Clean Cars II Program and Advanced

Clean Trucks Regulation - Application and Enforcement

Submitting: Dave Arndt
Position: Unfavorable
Hearing Date: March 12, 2025

Dear Chair and Committee Members:

Thank you for allowing our testimony today on HB1556. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of nearly 30 grassroots and professional organizations, respectfully urges you to vote unfavorably on HB1556.

The Advanced Clean Cars II and Advanced Clean Trucks rules were adopted in 2023 based on laws passed by the Maryland General Assembly. These rules would require vehicle manufacturers to sell an increasing annual percentage of zero-emission cars, school buses, delivery vans, and trucks in the state. The Maryland Department of Environment has stated in a hearing earlier this session "that the Advanced Clean Cars II is our single largest existing climate pollution reduction strategy over the long term." The clean cars and trucks rules will significantly cut air pollution, reduce respiratory illnesses, and save lives.

With the Trump Administration cutting funds and gutting climate programs, we look to our state leaders to stand strong and double down on our climate commitments. We see no reason for delaying enforcement of the Advanced Clan Cars II and Advanced Clean trucks rules for two years. Any delay risks Maryland's participation in these programs altogether. In addition, other states are already implementing these rules in 2025. Why would Maryland choose to go backwards like the Trump Administration rather than forward like other strong climate-minded states.

This bill could put Marylanders and the environment at risk without any apparent benefit. For all these reasons, we strongly urge an **UNFAVORABLE** report on HB1556 in Committee.

350MoCo

Adat Shalom Climate Action
Cedar Lane Unitarian Universalist Church Environmental Justice Ministry
Chesapeake Earth Holders
Climate Parents of Prince George's
Climate Reality Project
ClimateXChange – Rebuild Maryland Coalition
Coming Clean Network, Union of Concerned Scientists

DoTheMostGood Montgomery County

Echotopia

Elders Climate Action

Fix Maryland Rail

Glen Echo Heights Mobilization

Greenbelt Climate Action Network

HoCoClimateAction

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Mobilize Frederick

Montgomery County Faith Alliance for Climate Solutions

Montgomery Countryside Alliance

Mountain Maryland Movement

Nuclear Information & Resource Service

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Safe & Healthy Playing Fields

Takoma Park Mobilization Environment Committee

The Climate Mobilization MoCo Chapter

Unitarian Universalist Legislative Ministry of Maryland

WISE

HB1556_MD Sierra Club_UNF Uploaded by: Lindsey Mendelson

Position: UNF



Committee: Environment and Transportation

Testimony on: HB 1556- Environment - Advanced Clean Cars II Program and Advanced

Clean Trucks Regulation - Application and Enforcement

Position: Oppose

Hearing Date: March 12, 2025

The Maryland Chapter of the Sierra Club urges an unfavorable report on HB 1556. This bill would prohibit the Maryland Department of Environment from enforcing penalties if manufacturers fail to meet the requirements of the Advanced Clean Cars II (ACC II) and Advanced Clean Trucks (ACT) rules in Maryland for Model Years 2027 and 2028.

In 2023, as required by law, the Maryland Department of the Environment (MDE) adopted the ACC II and ACT regulations. These regulations require vehicle manufacturers to sell an increasing percentage of zero-emission passenger cars, school buses, trucks, and delivery vans from Model Years 2027 through 2035. Section 177 of the Clean Air Act allows states to adopt vehicle emissions standards that are more strict than federal standards if they are identical to those adopted by the state of California. The MDE has been a part of the highly successful Clean Cars program since 2007. In 2013, a memorandum of understanding (MOU) signed by ten state governors, including former Governor O'Malley, set a collective target for 3.3 million electric vehicles (EVs) to be on the roads by 2025. Based on NESCAUM's analysis of the data, over 3.3 million electric cars have been registered in these states as of December 31, 2024 – meeting and even exceeding the target on time.

No clean car state, including Maryland, has levied any penalties on vehicle manufacturers during the course of the program. While the regulations must remain identical to the state of California, MDE has full discretion related to the system for penalties. If HB 1556 passes, **Maryland would be the first Section 177 state to delay the ACC II and ACT standards.**

In addition to being a leading source of toxic air pollution that is hazardous to human health, transportation is the largest source of climate-damaging greenhouse gas (GHG) emissions in Maryland and the U.S. The MDE's <u>Climate Pollution Reduction Plan</u> notes that the ACC II and ACT rules are key programs needed for Maryland to meet its climate targets.

These standards are also necessary for Maryland to meet federal ambient air quality standards and to cut unhealthy air pollution. Vehicles are responsible for over 40% of Maryland's nitrous

Founded in 1892, the Sierra Club is America's oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

¹ The Advanced Clean Cars II program applies to Model Years 2026-2035 and the Advanced Clean Trucks program applies to Model Years 2024-2035; Maryland's implementation of both programs begins with Model Year 2027.

oxide (NOx) emissions that contribute to ozone pollution. Over 80% of Marylanders live in areas designated as being in nonattainment of the National Ambient Air Quality Standards for ozone, with the Baltimore region and Cecil County in **serious nonattainment**. Residential neighborhoods located near major roads and highways face disproportionate burdens from transportation pollution and traffic. These neighborhoods are far more often communities of color due to decades of residential segregation, and bear a burden of higher rates of asthma and other health conditions and unremitting noise pollution. There is simply no other means for these areas to cut ozone pollution by the amount necessary to meet the federal air quality standards without reducing vehicle emissions.

Costs of Delaying the ACC II and ACT Regulations for Two Years

The Energy Policy Simulator (EPS), created by Energy Innovation Policy & Technology and RMI, is a policy modeling tool used by states such as Colorado, Georgia, Illinois, Michigan, Pennsylvania, Texas, Minnesota, and Wisconsin to develop all-sector climate action plans. EPS includes a feature to forecast the effect of the ACC II and ACT's rules for clean vehicle sales on emissions and vehicle sales, based on custom annual implementation schedules.

In Maryland, the EPS considered two scenarios: one that assumes ACC II and ACT are implemented <u>starting in Model Year 2027</u>, as is current law in Maryland, and the other <u>deferring implementation to Model Year 2029</u>, as is proposed in HB 1556. The cumulative differences in emissions and sales outcomes between 2027 and 2050 are summarized below:

- Change in Emissions due to HB 1556:
 - o 12,358,883 net increase in metric tons (MT) of carbon dioxide equivalent (CO2e) emissions
 - 10,257,796 MT from light duty cars
 - 2,101,087 MT from light, medium, and heavy duty trucks and buses
- Change in EV Sales due to HB 1556:
 - Light duty cars and SUVs
 - 276,630 fewer battery electric vehicle (BEV) car sales
 - 248,619 more internal combustion engine (ICE) car sales
 - Light duty trucks
 - 4,215 fewer light duty BEV truck sales
 - 2,562 more gasoline light duty truck sales
 - 1,497 more diesel light duty truck sales
 - Medium and heavy duty trucks
 - 5,250 fewer BEV truck sales
 - 2,814 more light duty gasoline truck sales
 - 2,337 more light duty diesel truck sales

Nearly all of the 286,095 BEV sales reductions between the two EPS scenarios occur in 2027 and 2028. For context, according to the Maryland Motor Vehicle Administration (MVA), Maryland sold 1,804,624 vehicles in a similar two-year time period between November 2022 and November 2024. Of these sales, approximately one-third were new vehicles and two-thirds of the sales were used.

In regards to emissions, the over 12 million metric ton increase in net pollution is explained by the "climate time bomb" effect of the new ICE vehicles purchased in 2027 and 2028 being driven for the next 10-15 years, thus locking in tailpipe emissions for over a decade. According to S&P Global, the average American vehicle life is 12.6 years. According to the EPS analysis, in the first 15 years of the scenario, these added ICE vehicles will contribute on average 540,000 MT of CO2e per year. For context, one year of transport emissions in Maryland totaled approximately 34,000,000 MT of CO2e, per MDE 2017 values.

Advanced Clean Cars II program

The states that have adopted the ACC II rule include California, Massachusetts, New York, New Jersey, Oregon, Washington, Colorado, Delaware, New Mexico, Vermont, Rhode Island, and Washington, D.C.

An April 2023 report from Energy Innovation Policy & Technology calculates that, just by adopting the ACC II rule, Maryland will experience the following tangible public health benefits by 2050:²

- 3,150 Avoided Asthma Attacks
- 15,600 Avoided Lost Workdays
- 195 Avoided Premature deaths
- 5,380 Avoided Respiratory Symptoms and Bronchitis
- 60 Avoided Nonfatal Heart Attacks
- 48 Avoided Hospital Admissions
- 26 Avoided Respiratory ER Visits; and
- 91,800 Avoided Minor Restricted Activity Days

MDE states that the ACC II program is "our single largest existing climate pollution reduction strategy over the long term." According to MDE and MDOT, adoption of the ACC II rule will lead to: 5,978 tons of reduced NOx and 585 tons of reduced particulate matter (PM2.5) emissions between 2027-2040; reducing carbon dioxide emissions by 2.461 million metric tons in 2031, and health benefits of \$603.5 million per year by 2040.

Benefits to Consumers

Electric vehicles can also generate considerable savings for consumers while reducing our dependence on foreign oil. According to the Union of Concerned Scientists, by switching to an electric car, the <u>average driver in Annapolis could save \$920 a year on fuel costs</u>.

Also, according to <u>the Department of Legislative Services</u> (DLS): "To address consumer concerns regarding battery and range limitations, ACC II requires stronger point of sale protections. Under ACC II all ZEVs must have a minimum battery warranty of 8 years or

² Energy Innovation Policy & Technology LLC, "Nationwide Impacts Of California's Advanced Clean Cars II Rule" (April 9, 2023),

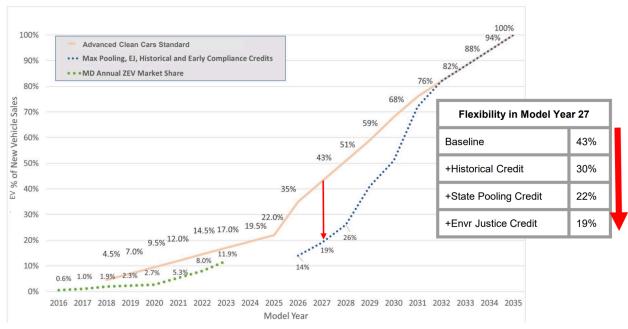
https://energyinnovation.org/publication/nationwide-impacts-of-californias-advanced-clean-cars-ii-rule/.

100,000 miles, which generally provides coverage for a longer duration than the warranties offered on comparable gasoline vehicles. Additionally, all batteries on new and used ZEVs must be durable enough to maintain at least 70% of their range for 10 years or 150,000 miles for model years 2026 to 2029 and 80% for 10 years or 150,000 miles for model years 2030 and beyond."

Program Feasibility

The program has <u>numerous flexibilities</u> that manufacturers can use to meet the compliance requirements, including:

- Historical credits (converted credits): Manufacturers can use converted credits from Advanced Clean Cars I to fulfill up to 15% of the annual requirement for Model Years 2027-2030 under ACC II. <u>According to MDE</u>, the industry is significantly exceeding standards in the final years of ACC I and has already accrued enough extra credits to maximize relevant flexibility through Model Year 2031. There are enough banked credits that no OEM will have to change its production or sell fewer vehicles in Maryland.
- Credit pooling: Manufacturers can transfer excess credits earned in <u>one state to another state</u> from the same or previous model year to fulfill up to 20% of the annual requirement in Model Year 2027, and 15% in Model Year 2028.
- Early compliance credits: Manufacturers can meet up to 15% of the annual requirement by banking credits from zero-emission vehicles sold in Maryland in Model Years 2025 and 2026. Because of the timing of Maryland's adoption, in Model Year 2026, Maryland will temporarily revert to the federal standard while generating more early compliance credits.
- Environmental justice credits: Manufacturers can earn credits to satisfy up to 5% of the annual requirement for new vehicles placed in community-based programs.
- **Plug-in hybrid vehicles**: Plug-in hybrids can be used to meet up to 20% of the annual requirement.
- **Banked credits**: Manufacturers can bank excess credits to use for future compliance for up to four model years.
- **Credit trading**: Manufacturers can trade or sell excess zero-emission vehicles and plug-in hybrid credits.
- Three-year lookback provision: If a manufacturer cannot meet the annual requirement in any model year (and chooses not to buy excess credits from another manufacturer) it can make up the deficit within three model years. For example, a manufacturer could resolve a 2027 model year deficit by the end of the 2030 model year. This effectively means that any penalties assessed for the failure to comply with Model Year 2027 requirements would happen at the earliest in March 2031.



Source: MDE, January 2025

With all the added flexibility mechanisms, <u>MDE calculates</u> that the effective sales requirement for zero-emission vehicles is as low as 19% in Model Year 2027 and 26% in 2028. For context, 12.2% of light-duty vehicles sales in Maryland were electric in the last quarter of 2024.³ The number of <u>light-duty EVs registered in Maryland</u> increased more than six-fold from 2020 to 2023, with a 50% increase from 2022-2023 alone, such that the total number of light-duty EVs in the state topped 103,000 at the end of 2023.

According to DLS: "numerous manufacturers have responded positively to ACC II. Ford has stated that EVs are an important part of their long-term plans, GM and Cadillac have committed to meeting ACC II ZEV percentage requirements, and Volvo discontinued manufacturing diesel-powered vehicles in March 2024 and plans to sell only ZEVs worldwide by 2030." DLS further noted: "The manufacturers continue to invest hundreds of billions of dollars to develop and produce multiple models of ZEVs, including pickup trucks, SUVs, and passenger cars. Additionally, a set regulatory structure like ACC II generally provides industries with the stability necessary to plan for future production and growth."

Charging Feasibility

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³ Atlas Public Policy (data available to subscribers only)

The International Council on Clean Transportation estimated in 2023 that adoption of ACC II would result in approximately 333,000 light-duty ZEVs on Maryland's roads in 2027 and 474,000 in 2028. With proper planning, a strong market signal with ACC II, state investments such as the Maryland Electric Vehicle Supply Equipment Rebate Program (\$2.5M in FY25), the Maryland Smart Energy Communities Grant Program (\$1.5M in FY25, including for EV charging), and numerous utility charging infrastructure incentive programs, it is feasible to provide the needed charging infrastructure to support Maryland's growing EV adoption. Maryland's gap in charging stations needed in Model Year 2027 is approximately equal to the amount of charging stations that came online in New York between 2023 and 2024, which is implementing the program a year ahead of Maryland.

Advanced Clean Trucks (ACT) program

The ACT program is a public health imperative. Trucks and other large vehicles account for 9% of vehicles on the road, but contribute 21% of carbon pollution and 48% of PM2.5 emitted by Maryland's transportation sector. People who are heavily exposed to PM2.5 and other toxic truck emissions like nitrogen oxides are at a greater risk for developing asthma and other lung diseases, such as chronic obstructive pulmonary disease (COPD) and lung cancer. This pollution is concentrated in communities that are disproportionately burdened by transportation pollution. Low-income communities and communities of color bear an unfair burden of medium and heavy-duty truck pollution, having suffered generations of systematic marginalization that forces them to live closer to warehouses, transit centers, and highways.

According to a <u>report</u> by Environmental Resources Management (ERM), the Union of Concerned Scientists and the Natural Resources Defense Council (NRDC), the ACT rule is estimated to reduce Maryland's annual fleet greenhouse gas emissions by **40 percent below 2022 levels by 2050 and avoid over 38,000 cases of acute bronchitis, exacerbated asthma, and other respiratory symptoms** in Marylanders. In addition, Maryland fleets would save \$498 million in 2050 under ACT. In fact, the total net societal benefits of ACT are estimated to add up to \$978 million in 2050, and total \$6.6 billion cumulatively from 2022-2050.

The ACT program is already a success. <u>In California</u>, the state has exceeded its ACT goal two years ahead of schedule, reaching five times the required sales numbers.

Other states that have adopted the ACT rule include California, Massachusetts, New Jersey, New York, Oregon, Washington, Vermont, Colorado, New Mexico, and Rhode Island.

Program Feasibility

As with the ACC II regulation, the ACT program gradually ramps up over time, encourages early voluntary action, and <u>contains significant flexibilities</u>. The ACT regulation uses a credit and deficit system. Deficits are generated by selling vehicles into the state; credits are earned by selling ZEVs. Manufacturers achieve compliance when total credits retired equal total deficits.

• **Plug-in hybrid vehicles**: Up to 50% of ACT sales requirements can be met with plug-in hybrids through 2035.

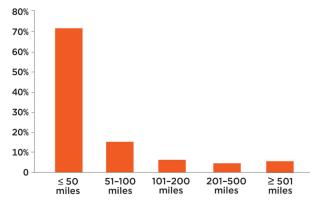
- Credit trading: Manufacturers can trade credits across truck classes and manufacturers, with vehicles from heavier classes earning more credits.
- Credit banking: Excess credits can be banked for five years for use in future model years when a manufacturer has a deficit.
- Early compliance credits: Manufacturers can earn early action credit for eligible ZEVs sold in Model Years 2025 and 2026, before ACT goes into effect.
- Lookback provision: If a manufacturer does not have sufficient credits, it has one year to make up the deficit, meaning that Model Year 2027 compliance will be determined in March 2028. Maryland can adopt a California amendment to the ACT rule that would provide manufacturers with a three-year makeup window if they fall short of zero-emission sales in a given year. This would effectively mean that the first determination of compliance would be March 2031, giving manufacturers plenty of time to make up deficits or purchase credits.

Additionally, a <u>detailed study</u> by Environmental Defense Fund (EDF) and Roush Industries indicates that "based on the upfront purchase price alone, by 2027 electric freight trucks and buses will be less expensive than their combustion engine counterparts in all categories except shuttle buses (which are close to price parity)."

Maryland's Clean Trucks Market

According to MDE, in 2023 Maryland's zero-emission heavy-duty EV sales were higher both in absolute terms and in market share than in most other ACT states. And across the country, the medium and heavy duty vehicle (MHDV) market is entering a new phase, with sales in Maryland nearly doubling every year over the past three years.⁴ Over 85% of MHDVs have daily operating ranges of less than 100 miles, a use case which is easily met by existing technologies and incremental increases in charging infrastructure. This is because most MHDVs regulated by ACT are Class 2b-3, the size of a Ford F-250 or small delivery trucks, which are usually left parked for more than nine hours at a time when not in use.⁵

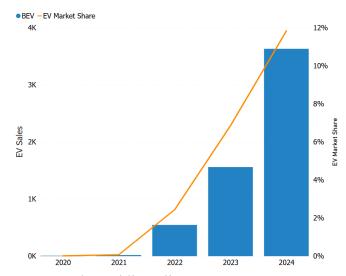




⁴ Atlas EV Hub EV Market Dashboard, data from Experian.

⁵ Ready for Work 2.0 at 22. https://www.ucs.org/resources/ready-work-2

Electric MHDV Sales and Market Share in Maryland



Source: Atlas Public Policy

Charging Infrastructure

A report by Atlas Public Policy assessed the feasibility of charging infrastructure needed to support the ACT rule in Maryland. The analysis found "The majority of zero-emission MHD vehicles in Maryland under ACT compliance will be class2b/3 trucks" – which by 2032 will require approximately 21,000 Level 2 charging ports and 485 en-route fast charging ports. The report noted that, "For comparison, the majority of Maryland's 84,000 light-duty EVs are likely already charged at a Level 2 charger at home." To charge class 4-8 trucks under ACT, Maryland will need about 14,000 charging ports, two-thirds of which can be Level 2 ports at depots, as compared to the higher-powered charging ports making up the remaining third.⁶ Atlas finds that the electricity required to charge these medium- and heavy-duty EVs in 2032 is equivalent to only 2.1% of the state's 2022 total electricity sales.

Addressing Claims by Manufacturers

Some manufacturers have incorrectly informed dealers that diesel trucks are unavailable or that zero-emission truck sales ratios are required to obtain diesel inventory. Investigations, such as one by the <u>California Air Resources Board</u> (CARB), have indicated that "inconsistencies in communication have led dealers and fleets to believe that the ACT regulation's requirements are leading to the product shortages in the medium- and heavy-duty space which, upon discussions with all affected parties, is not backed by the data available." Additionally, CARB notes that "while OEMs are largely informing dealers and fleets that the ACT regulation is placing limits on the number of ICE vehicles which can be delivered, they have alternatively confirmed with CARB staff that this is not the case for the 2024 MY, which is consistent with the current ACT credit surplus."

-

⁶ This analysis is based on ACT being in place in Maryland by Model Year 2025.

<u>CARB analysis</u> shows some manufacturers selling zero-emission trucks in the U.S. at significantly higher prices than in Europe (up to 30% higher), raising questions about potential price manipulation. In 2024, U.S. zero-emission tractors averaged \$88,828 more to purchase than in Europe, despite falling battery prices in both markets.

Historically, automakers have consistently claimed that key environmental and safety regulations, from catalytic converters to airbags, were not feasible. Here <u>are some examples</u> from a blog released from the Union of Concerned Scientists:

- ""[I]f GM is forced to introduce catalytic converter systems across the board on 1975 models . . . it is conceivable that complete stoppage of the entire production could occur, with the obvious tremendous loss to the company, shareholders, employees, suppliers, and communities." Ernie Starkman (GM) in his push to weaken the 1975 tailpipe emissions standards put in place by the Clean Air Act.
- ""Many of the temporary standards are unreasonable, arbitrary, and technically infeasible. . . . [If] we can't meet them when they are published we'll have to close down." Henry Ford II (Ford), responding to the first motor vehicle safety standards.
- ""We don't even know how to reach [35 miles per gallon by 2020], not in a viable way. [It] would break the industry." Susan Cischke (Ford), discussing the requirements of the Energy Independence and Security Act (EISA), which have led to the strong standards we have today.

Delaying ACC II and ACT implementation in Maryland would unnecessarily harm public health, hinder progress on achieving our climate goals, and erode consumer choice for more sustainable EVs.

For these reasons we urge an **unfavorable report** on HB 1556.

Lindsey Mendelson Senior Clean Transportation Representative lindsey.mendelson@mdsierra.org

Josh Tulkin Chapter Director josh.tulkin@mdsierra.org

HB1556 _UNFAV_CarTruck_ ENT_HoCoCA.pdf Uploaded by: Liz Feighner

Position: UNF



HB1556 - Advanced Clean Cars II Program and Advanced Clean Trucks Regulation -

Application and Enforcement

Hearing Date: March 12, 2025 Sponsor: Delegate Stein

Committee: Environment and Transportation
Submitting: Liz Feighner for HoCo Climate Action

Position: UNFavorable

<u>HoCo Climate Action</u> is a <u>350.org</u> local chapter and a grassroots organization representing approximately 1,400 subscribers. It is also a member of the <u>Climate Justice Wing</u> of the <u>Maryland Legislative Coalition</u>.

We urge you to **vote UNFavorably on HB1556** which would delay the implementation of the Advanced Clean Cars II and Advanced Clean Trucks regulations by two years. The Maryland Department of Environment has stated in a hearing earlier this session "that the Advanced Clean Cars II is **our single largest existing climate pollution reduction strategy over the long term**." The clean cars and trucks rules will significantly cut air pollution, reduce respiratory illnesses, and save lives.

The transportation sector is the largest source of greenhouse gas emissions in Maryland and a major source of air pollution. The Advanced Clean Cars II and Advanced Clean Trucks rules are key components of the work to clean up transportation in Maryland. Delaying implementation of these rules would be a huge step backwards and seriously weaken our state's ability to meet the law mandating carbon neutrality by 2045.

As <u>Bill McKibben</u>, founder of <u>350.org</u> and <u>Third Act</u> has stated, "*Winning slowly is the same as losing*".

We urge you to reject HB1556 and issue an UNFAVORABLE report in committee.

Howard County Climate Action
Submitted by Liz Feighner, Steering and Advocacy Committee
www.HoCoClimateAction.org
HoCoClimateAction@gmail.com

Advanced Clean Trucks Defense Sign On Letter Final Uploaded by: Maryland Clean Transportation Advocates

Position: UNF





















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ACTION FOR A HEALTHY PLANET















































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The Climate Reality Project

CHICAGO METRO CHAPTER









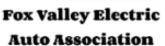






























LONG BEACH ALLIANCE FOR CLEAN ENERGY





Dear Governors Polis, Lujan Grisham, Healey, Murphy, Newsom, Moore, Scott, Hochul, Kotek, McKee, and Ferguson;

On behalf of over 100 organizations, we urge you to maintain your strong support for the Advanced Clean Trucks (ACT) rule, which your states adopted after thorough, carefully deliberated rulemaking processes. The ACT rule will <u>create billions of dollars in economic, environmental, and public health benefits</u>, particularly for communities disproportionately impacted by diesel pollution. Delaying its implementation would jeopardize these critical gains.

We urge you to adhere to the rule's scheduled implementation timeline despite calls from the trucking industry to postpone the rule. Your states have already enacted important complementary policies to support timely implementation of ACT and heavy-duty electrification. Claims made in the December 17, 2024 letter from state trucking associations, including allegations of a "rushed timeline" and negative economic impacts, lack evidence and misrepresent the rule's provisions. This letter will rebut the trucking association's claims made in that letter.

Preserving Choice While Increasing Zero-Emission Vehicle Availability

First, the rule preserves choice, by allowing customers to purchase diesel trucks if that best fits their business needs, while requiring manufacturers to gradually increase the number of zero-emission models they make available for sale to meet growing customer demand. In model year 2025, sales of zero-emission trucks (ZETs) must be 7% to 11%, depending on the vehicle class, increasing modestly to 10% and 13% in model year 2026. The lower percentages are applicable to the largest, heavy-duty trucks and buses. ACT is not dictating that any customer must purchase a ZET, that is simply untrue and not what this rule does. Furthermore, these percentages do not account for the flexibility available to manufacturers, such as applying early-action credits generated prior to the rule's first compliance year, banking credits, and pooling credits. In California, truck manufacturers have over-complied with the 2024 requirement by 60% for certain models and by an astounding 118% for Class 7-8 tractors.

Demonstrated Economic, Health, and Climate Benefits

Second, each state that has adopted the rule developed extensive analyses around the economic impacts of the rule, which consistently forecasted that billions of dollars of benefits will flow to businesses, consumers, and the public. These analyses stand in stark contrast to the trucking associations' unsubstantiated claims of economic harm. The fuel cost savings inherent in switching from diesel to electric-powered vehicles are beneficial for businesses and consumers – not to mention the monetized public health benefits. The economic analyses are attached as appendices to this letter. Notably, the industry has failed to provide any economic analysis to support its assertions that these rules will "shut down businesses," "cut jobs" and lead businesses to "lose everything". However, the comprehensive rulemaking record provided in the proceedings by state agencies and other organizations demonstrates the ACT rule will bolster state economies.

Infrastructure Progress

Third, states are actively scaling charging infrastructure in tandem with the gradual increase in ZET requirements. Each of your states has focused on creating a policy environment that encourages the adoption of zero-emission trucks and installing the charging infrastructure critical to powering those vehicles. Detailed information on these efforts, included in the appendices, highlights robust policy support and infrastructure development in California, Colorado, Massachusetts, New Jersey, New Mexico, New York, Maryland, Oregon, Rhode Island, Vermont, and Washington.

Addressing Dealer Concerns

The trucking associations' claims that the ACT rule harms truck dealers stem largely from misleading practices by vehicle manufacturers. Some manufacturers have incorrectly informed dealers that diesel trucks are unavailable or that ZET sales ratios are required to obtain diesel inventory. Investigations, such as one by the California Air Resources Board reveal that these tactics are designed to manufacture opposition to the rule. In fact, <u>CARB found that some original equipment manufacturers</u> "have expressed plans to begin implementing a rigid policy to require each dealer or upfitter to purchase a certain number of ZETs from the manufacturer before they can get any internal combustion engines whether or not the manufacturer offers ZETs in the market segment the dealer specializes." The ACT rule itself does not mandate such practices.

Federal Speculation Should Not Dictate State Leadership

Lastly, the suggestion that states should abandon their leadership is misguided. Your adoption of the ACT rule reflects leadership and a commitment to addressing climate change, safeguarding public health, and ushering in a wave of economic innovation. State leadership is written into the Clean Air Act and especially critical in these moments when federal efforts threaten to fall short of the protections that your residents need and deserve.

In sum, the trucking associations' letter presents unfounded claims that conflict with the rigorous analysis and clear benefits underpinning the ACT rule. By continuing to prioritize clean air, economic growth, and climate action, your states are focused on the issues your residents deeply care about. We urge you to stand firm in support of the ACT rule's timely implementation.

Sincerely,

Lauren Weston
Executive Director

Acterra: Action for a Healthy Planet

Winn Khuong Executive Director

Action Together New Jersey

Ryan Gallentine
Managing Director

Advanced Energy United

Jane Williams
Executive Director

California Communities Against Toxics

Alissa Burger

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CALSTART

Anita Edward

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Maya Golden-Krasner Deputy Climate Director

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Kevin D. Hamilton, RRT, ACS

Policy Advisor

Central California Asthma Collaborative

Dave Robba

Senior Manager, Policy Network, Transportation

Ceres

Kate Johnson

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Titania Markland

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Clean Air Council

Margarita Parra

Director of Transport Decarbonization

Clean Energy Works

Tolani Taylor

Zero Emissions & Warehouse Organizer

Clean Water Action

Don Steinke Policy Lead

Climate Action of Southwest Washington

Thomas Coleman

Co-Chair

Climate Reality Chicago

Leah Missik

Acting WA Director

Climate Solutions

Nora Apter

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Climate Solutions

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Alok Disa Brian Sauder
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Interfaith Power & Light Giovanna Rossi

NM Organizer/Consultant

Chloe Desir Moms Clean Air Force, New Mexico Chapter.

Environmental Justice Organizer

Ironbound Community Corporation Colorado State Director

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Director

Jersey Renews Vanessa Warheit **Project Director**

National Charging for All Coalition Bakari Height

Transit Equity Organizer **Labor Network for Sustainability** Guillermo A. Ortiz

Senior Clean Vehicles Advocate

Natural Resources Defense Council Darien Davis Government Affairs Advocate, Climate & Clean

Mary Peveto & Nakisha Nathan Energy

League of Conservation Voters Co-Executive Directors

Neighbors for Clean Air Dave Shukla

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The Conversation 253

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Washington Physicians for Social Responsibility

Rachel Dawn Davis
Public Policy & Justice Organizer
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Aaron Kressig
Transportation Electrification Manager
Western Resource Advocates

Renée Millard Chacon Co-Founder Womxn From The Mountain

HB 1556 - CBF - UNF.pdfUploaded by: Matt Stegman Position: UNF



CHESAPEAKE BAY FOUNDATION

Environmental Protection and Restoration Environmental Education

House Bill 1556

Environment - Advanced Clean Cars II Program and Advanced Clean Trucks Regulation - Application and Enforcement

Date: March 12, 2025 Position: **UNFAVORABLE**To: Environment and Transportation Committee From: Matt Stegman,
MD Staff Attorney

The Chesapeake Bay Foundation **OPPOSES** House Bill 1556, which would prohibit the Maryland Department of the Environment (MDE) from applying penalty and enforcement provisions for failing to meet any requirements under the California Advanced Clean Cars II (ACC II) Program or the Advanced Clean Trucks (ACT) regulation for the vehicle model years 2027 and 2028.

Maryland has set bold, but necessary, greenhouse gas reduction goals, and implementation of the ACC II and ACT regulations is an important step in meeting the challenge. The Maryland Climate Pathways report identifies the transportation sector as second only to energy in the production of greenhouse gas emissions. ACC II and ACT will substantially reduce air pollutants that threaten public health, especially in overburdened and underserved communities that are disproportionately exposed to vehicular pollution. Now is not the time to move backwards on our climate commitments.

CBF urges the Committee's UNFAVORABLE report on HB 1556.

For more information, please contact Matt Stegman, Maryland Staff Attorney, at mstegman@cbf.org.

hb1556.pdfUploaded by: Melanie Scheirer

Position: UNF

Bill: HB1556

Bill Title: Environment - Advanced Clean Cars II Program and Advanced Clean Trucks Regulation - Application and Enforcement

Position: Unfavorable

Members of the House Environment and Transportation Committee,

I'm writing this as a personal appeal from a simple Maryland homeowner. We live in a car dependent society – where alternatives to driving are few, and rarely sufficient and comfortable. I understand, as someone who has lived with and without a personal vehicle, why there would be a desire to relax regulations regarding forward thinking emissions and efficiency regulations like these – they correspond to an immediate cost increase for vehicles, because the regulations require they be *better* than they are.

But that is a critical function of government. To put ones proverbial foot down when things are bad, and require they be better. These regulations stand to help mitigate the disasterous climate impacts of our car dependent lifestyles, if even to a small degree. They are but a nudge on the needle, but it is in the right direction. A motion to delay adoption is just reflective of the pressure placed on all of us when needles like these are nudged. But a course correction is absolutely needed, both from this legislation and more in the future.

Climate change mitigation will not always be comfortable. But it is always right to do, if we are a responsible people who wish to be stewards of our planet that our grandchildren's grandchild don't need to look back on with disdain for our shortsightedness in pursuit of the comfort of not having to nudge that needle.

So as a simple Maryland resident, please do not back down from the efforts put in to get these regulations in effect in the first place. These debates were had when the Clean Cars Standards were first drafted and voted for over the preceding years. This bill is just the natural push back from the immency of the needle being nudged, but now that we are on that precipice we must commit to seeing it through.

Thank you for your consideration and the hard work of the entirety of the assembly,

Melanie Scheirer Mount Clare Baltimore City

HB1556_IndivisibleHoCoMD_UNFAV_Alexander.pdf Uploaded by: Peter Alexander

Position: UNF



HB1556

Environment - Advanced Clean Cars II Program and Advanced Clean Trucks Regulation - Application and Enforcement

Testimony before House Environment & Transportation Committee March 12, 2025

Position: Unfavorable

Chair Korman, Vice Chair Boyce, and members of the committee, my name is Peter Alexander, and I represent the 900+ members of Indivisible Howard County. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We are providing written testimony today in *opposition to HB1556*.

The Advanced Clean Cars II and Advanced Clean Trucks rules were adopted in 2023 based on laws passed by the Maryland General Assembly. These rules require vehicle manufacturers to sell an increasing annual percentage of zero-emission cars, school buses, delivery vans, and trucks in the state. The Maryland Department of Environment has stated in a hearing earlier this session "that the Advanced Clean Cars II is our **single largest existing climate pollution reduction strategy over the long term.**" The clean cars and trucks rules will significantly cut air pollution, reduce respiratory illnesses, and save lives.

HB1556 would delay enforcement of the Advanced Clean Cars II and Advanced Clean trucks rules for two years. Any delay risks Maryland's participation in these programs all together and delays significant progress toward Maryland's clean environment goals.

We respectfully urge an unfavorable committee report.

Peter Alexander, PhD District 9 Woodbine, MD 21797

HB 1556 - Clean Car Rules - Unfavorable - Phil Web

Uploaded by: Phil Webster

Position: UNF



Unitarian Universalist Legislative Ministry of Maryland

Testimony in opposition to HB 1556 - Environment - Advanced Clean Cars II Program and Advanced Clean Trucks Regulation - Application and Enforcement

TO: Chair Korman and the members of the Environment and Transportation

Committee

FROM: Phil Webster, PhD, Lead Advocate on Climate Change

Unitarian Universalist Legislative Ministry of Maryland.

DATE: March 12, 2025

The Unitarian Universalist Legislative Ministry of Maryland (UULM-MD) strongly opposes **HB 1556**-Environment - Advanced Clean Cars II Program and Advanced Clean Trucks Regulation Application and Enforcement, which would delay implementation of the Advanced Clean
Cars II Program and Advanced Clean Trucks Regulation by 2 years.

The UULM-MD is a faith-based advocacy organization based on Unitarian Universalist (UU) Values, including Interdependence (honoring the interdependent web of all existence) and Justice (where all feel welcome and can thrive). Working to mitigate, adapt to, and build resilience for climate change is central to our beliefs.

The Maryland State Legislature has an admirable record of advancing climate affirming legislation. The Advanced Clean Cars II and Advanced Clean Trucks rules were adopted in 2023 based on laws passed by the Maryland General Assembly. These rules would require vehicle manufacturers to sell an increasing annual percentage of zero-emission cars, school buses, delivery vans, and trucks in the state. The Maryland Department of Environment has stated in a hearing earlier this session "that the Advanced Clean Cars II is our **single largest existing climate pollution reduction strategy over the long term.**" The clean cars and trucks rules will significantly cut air pollution, reduce respiratory illnesses, and save lives.

Delaying implementation of these rules would be a huge step backwards and seriously weaken our state's ability to meet the law mandating carbon neutrality by 2045.

We urge a UNFAVORABLE report on HB 1556..

Phil Webster, PhD

Lead Advocate, Climate Change UULM-MD

MD HB1556 Rivian Opposition.pdf Uploaded by: Rachel Clark Position: UNF

RIVIAN



11 March 2025

Chairman Marc Korman Maryland House of Delegates Annapolis, MD 21401

SUBJECT: Rivian Opposition to House Bill 1556

Dear Chairman Korman and Members of the Environment & Transportation Committee:

On behalf of Rivian Automotive, LLC ("Rivian" or the "Company"), I would like to express the Company's strong opposition to House Bill 1556, a measure that would set back Maryland's ambitious drive to transition its transportation sector away from fossil fuels. Rivian supported the Maryland legislature when it adopted the Advanced Clean Cars II ("ACCII") and Advanced Clean Trucks ("ACT") regulations in 2023 and continues to support the right of states to adopt the most protective vehicle emissions standards available under Section 177 of the federal Clean Air Act. The Company also recognizes the valuable role of states in helping the U.S. lead global efforts to decarbonize transportation in an equitable manner while maintaining the societal benefits of domestic technology development and production.

Rivian is an independent American electric vehicle manufacturer and technology company headquartered in Irvine, CA with a production facility in Normal, IL. The Company produces a pickup (R1T) and SUV (R1S), each capable of ranges exceeding 400 miles on a single charge. Additionally, Rivian produces a commercial delivery van (RCV) for fleet use that is available for purchase by businesses nationwide. The Company operates a direct-to-consumer sales model for all of its automotive products, ensuring each customer wishing to purchase a Rivian is provided a uniform experience and is offered identical pricing and financing options. Rivian operates more than 70 retail and service centers in 20 states, including a location in Gaithersburg, that employs more than 50 people.

The ACCII and ACT regulations have never been more important. To mitigate and reverse the harms caused by greenhouse gas emissions in transportation, our society must accelerate the replacement of more than 1.5 billion combustion-powered cars with zero emission vehicles. The

RIVIAN



electric vehicle market has grown beyond early adopters and is entering the mainstream—the opportunity our industry has been waiting for to unlock scale! However, we cannot lose sight of the fact that policy plays an equally important role alongside the consumer market and industry at this juncture. To keep us all moving in concert, we need ambitious policies like ACCII and ACT to set the pace.

ACCII and ACT will increase consumer choice for electric vehicles by incentivizing manufacturers to make more products available at competitive prices; maximize emissions reductions at the lowest cost by providing manufacturers with several compliance tools and flexibilities; and support long-term planning by industry to secure American competitiveness. Vehicle manufacturers are well positioned to comply with the requirements established by Maryland Department of Environment in both the light and medium-heavy duty sectors. Sales targets ramp up gradually, and manufacturers may use credit averaging, banking, and trading rules to satisfy shortfalls.

The targets established in the ACCII and ACT rules are achievable, therefore efforts to delay enforcement should be highly scrutinized. Further, Maryland's enforcement capabilities do not take effect until Model Year 2027. Delaying the rules now, before the program has even begun, and which already includes the ability to carry-forward deficits through 2030, will not serve to benefit manufacturers. The 2027 enforcement delay will result in reduced charging infrastructure investment and reduced sales of electric vehicles, causing Maryland to fall behind in its efforts to transition away from fossil fuels.

Undoubtedly, the scale of change needed in transportation is enormous: shifting the on-road fleet from fossil fuels to electricity will not be easy. But this is a once-in-a-planet opportunity, and we are lucky to be a part of it! Thanks to the leadership previously shown by this legislature, Maryland is on the right path—and Rivian urges this Committee to stay the course by opposing House Bill 1556.

Thank you for your consideration,

Beau Whiteman
Director, State Affairs

UNFAVORABLE-HB1556_MDLCV_20250312.pdf Uploaded by: Ramon Palencia-Calvo

Position: UNF



Kim Coble Executive Director March 12, 2025

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OPPOSE: HB 1556 - Environment - Advanced Clean Cars II Program and Advanced Clean Trucks Regulation - Application and Enforcement

Chair Korman and Members of the Committee,

Maryland LCV strongly opposes HB1556 – Advanced Clean Cars II Program and Advanced Clean Trucks Regulation – Application and Enforcement, which would roll back Maryland's commitment to reducing harmful pollution and transitioning to cleaner, more cost-effective transportation options through the Advanced Clean Cars II (ACC II) Program and the Advanced Clean Trucks (ACT) Regulation. By suspending enforcement of these critical standards for two years, this bill weakens progress toward cleaner air, public health protections, and the state's climate goals. Enforcement is essential to ensuring a timely transition to zero-emission vehicles, and any delay only prolongs harmful emissions that disproportionately impact vulnerable communities.

Maryland has made significant strides in addressing the harmful impacts of air pollution and climate change through the adoption of zero-emission vehicle policies like the ACCII and the ACT Regulations. These programs are essential to meeting the state's greenhouse gas reduction goals outlined in the Climate Solutions Now Act, protecting public health, and addressing the disproportionate burden of air pollution in low-income communities and communities of color. Suspending enforcement of these policies undermines the state's progress and jeopardizes the economic, environmental, and health benefits they provide.

House Bill 1556 is both unnecessary and counterproductive, as the existing ACC II and ACT Regulations already offer manufacturers ample flexibility to meet zero-emission vehicle (ZEV) requirements.

The ACC II program provides compliance mechanisms such as credit trading and banking, which allows manufacturers to earn, trade, and bank credits based on their ZEV sales. This enables manufacturers to balance compliance over multiple years, with specific ZEV sales targets for model years 2026 through 2035, allowing companies to adjust their production strategies to meet the requirements. The gradual sales targets and alternative compliance pathways, including the use of plug-in hybrid vehicles and near-zero-emission models, further ease the transition to cleaner transportation.

Similarly, the ACT regulation, implemented under the Clean Trucks Act of 2023, allows manufacturers to utilize averaging, banking, and trading of emission credits to meet the ZEV requirements, which also applies to model years 2027 through 2035. This flexibility enables manufacturers to balance their ZEV sales across

different vehicle categories and model years, taking into account varying production capabilities and market conditions. With these established compliance mechanisms in place, House Bill 1556 introduces unnecessary regulatory constraints that could disrupt the existing framework, potentially hindering the ability of manufacturers to effectively transition to cleaner, zero-emission transportation.

The flexibility embedded in the ACC II and ACT regulations provides adequate support to meet the state's environmental objectives while minimizing the burden on manufacturers. It's important to emphasize that these programs apply solely to vehicle manufacturers, not consumers or dealers. They do not mandate that individuals or fleet owners purchase zero-emission vehicles (ZEVs) or give up internal combustion engine (ICE) vehicles.

For Maryland to continue leading in clean transportation and environmental justice, it is crucial to maintain enforcement of the ACC II and ACT regulations. HB1556 threatens to undermine the state's progress toward reducing pollution, improving public health, and meeting its climate goals.

Maryland cannot afford to backtrack on its climate commitments.

Maryland LCV urges the Committee to issue an unfavorable report on HB1556.

Testimony in opposition to HB1556 - Environment - Uploaded by: Richard KAP Kaplowitz

Position: UNF

HB1556_RichardKaplowitz_UNF 03/12/2025

Richard Keith Kaplowitz Frederick, MD 21703

TESTIMONY ON HB#/1556- POSITION: UNFAVORABLE

Environment - Advanced Clean Cars II Program and Advanced Clean Trucks Regulation - Application and Enforcement

TO: Chair Korman, Vice Chair Boyce, and members of the Environment and Transportation Committee

FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in opposition to HB1556, Environment - Advanced Clean Cars II Program and Advanced Clean Trucks Regulation - Application and Enforcement

This bill would delay enforcement of the Advanced Clan Cars II and Advanced Clean trucks rules for two years. Any delay risks Maryland's participation in these programs all together. The Advanced Clean Cars II and Advanced Clean Trucks rules were adopted in 2023 based on laws passed by the Maryland General Assembly. These rules would require vehicle manufacturers to sell an increasing annual percentage of zero-emission cars, school buses, delivery vans, and trucks in the state. The Maryland Department of Environment has stated in a hearing earlier this session "that the Advanced Clean Cars II is our single largest existing climate pollution reduction strategy over the long term." The clean cars and trucks rules will significantly cut air pollution, reduce respiratory illnesses, and save lives.

This bill seeks delay in these rules for at least two years. That would be two years in which transportation, the largest source of climate-damaging greenhouse gas emissions, would affect the health and safety of Marylanders. The bill would prohibit the Department of the Environment from applying certain enforcement or penalty provisions for failing to meet any requirements under the California Advanced Clean Cars II Program or the Advanced Clean Trucks regulation for the model years 2027 and 2028.

This is a mistake that can affect over 80% of Marylanders living in areas designated as being in nonattainment of the National Ambient Air Quality Standards for ozone. Why would we subject anyone to this burden from our failure to move swiftly and decisively to ameliorate climate change from transportation causes? We have a moral and ethical mandate to fix the problems, not to delay them for any reason.

I respectfully urge this committee to return an unfavorable report on HB#/1556.

Transit Choices _ **Unfavorable Letter (HB 1556).pdf**Uploaded by: Robin Budish

Position: UNF



516 N. Charles Street, Suite 312 - Baltimore, Maryland 21201

Committee: Environment and Transportation

Testimony on: HB 1556 "Environment - Advanced Clean Cars II Program and Advanced

Clean Trucks Regulation - Application and Enforcement"

Position: Oppose

Hearing Date: March 13, 2025

Transit Choices strongly opposes HB 1566. The bill would delay the enforcement of the Advanced Clean Cars II and Advanced Clean trucks rules for two years.

Additionally, the bill would remove Maryland from participating in the Advanced Clean Cars II and Advanced Clean Trucks programs. In 2023, as required by law, the Maryland Department of the Environment (MDE) adopted the Advanced Clean Cars II and Advanced Clean Trucks regulations. These regulations require vehicle manufacturers to sell an increasing percentage of zero-emission passenger cars, school buses, trucks, and delivery vans from Model Year 2027 through 2035. Section 177 of the Clean Air Act allows states to adopt vehicle emissions standards that are more strict than federal standards if they are identical to those adopted by the state of California, and MDE adopted these rules pursuant to the Maryland Clean Cars Act of 2007 and Clean Trucks Act of 2023. MDE has been a part of the highly successful Clean Cars program since 2007. No clean car state, including Maryland, has levied any penalties on vehicle manufacturers during the course of the program. While the regulations must remain identical to the state of California's regulations, MDE has full discretion over the system of penalties.

Transportation is the largest source of climate-damaging greenhouse gas (GHG) emissions and a leading source of toxic air pollution that is hazardous to human health. MDE's Climate Pollution Reduction Plan notes that the Advanced Clean Cars II and Advanced Clean Cars Trucks programs are key policies that are needed for Maryland to meet its climate targets.

These standards are also necessary to cut unhealthy air pollution. Vehicles are responsible for over 40% of Maryland's NOx emissions that contribute to ozone, or smog, pollution. Over 80% of Marylanders live in areas designated as being in nonattainment of the National Ambient Air Quality Standards for ozone, with the Baltimore region and Cecil County being in serious non-attainment. Residential neighborhoods located near major roads and highways face disproportionate burdens from transportation pollution and traffic. These neighborhoods are far more often communities of color due to decades of residential segregation and bear a burden of higher rates of asthma and other health conditions and unremitting noise pollution.

For these reasons, we urge an unfavorable report.

Sincerely,

Robin Budish

Rusni Budish

Director

410.528.8696

Earthjustice Opposition HB 1556.pdf Uploaded by: Susan Miller Position: UNF



March 10, 2025

Chair Marc Korman
Members of the House Environment and Transportation Committee

Re: OPPOSITION: HB 1556 - Environment - Advanced Clean Cars II Program and Advanced Clean Trucks Regulation - Application and Enforcement

Earthjustice¹ strongly opposes the passage of HB 1556 and recommends an unfavorable report by the Environment and Transportation Committee. This legislation will prohibit the Maryland Department of the Environment (MDE) from applying enforcement or penalty provisions for a manufacturer's failure to meet any requirements under the California Advanced Clean Cars II regulations or the Advanced Clean Trucks regulations for the model years 2027 and 2028, essentially delaying those programs until 2029.

In 2013, Mayland joined a coalition of nine other states² who pledged to put 3.3 million electric vehicles on the road by 2025. Twelve years later, the 10 states have reached their collective target of 3.3 million EV sales in their borders by 2025. And the agreement has helped grow the broader American EV market. In 2013, U.S. car buyers had fewer than 20 models to choose from, while today there are more than 100 models. The states that signed onto the EV goal in 2013 all adopted EVs at a faster rate than the rest of the country. These same 10 states also saw a nearly tenfold growth in the number of electric vehicle charging stations over the same period. Advanced Clean Cars II essentially follows the same formula as the first regulation. A dozen other states have now adopted the Advanced Clean Cars II regulations.

Delaying the enforcement and penalty provisions of the ACC II and ACT programs until Model Year (MY) 2029 will have negative consequences for Maryland and vehicle manufacturers. The MY zero-emission vehicle (ZEV) percentage requirements cannot be altered by Maryland. The federal Clean Air Act allows California to write its own pollution control programs, with EPA approval, and other states have the option to adopt the California programs. Section 177 of the Clean Air Act allows states to adopt vehicle emissions standards that are stricter than federal standards *only* if they are identical to those adopted by the state of California. If vehicle manufacturers delay implementing these programs because there is no consequence to this delay, the manufacturers will have to comply with the 2029 requirements without the gradual ramp up currently provided in the earlier years. Moreover, the ZEV program

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¹ Earthjustice is a non-profit public interest environmental law organization that represents other non-profits free of charge.

² The nine other states are New Jersey, New York, Oregon, Rhode Island, Vermont, California, Connecticut, Maine, and Massachusetts.

flexibilities begin to phase out as the MYs progress and further delays will mean that manufacturers are unable to take advantage of the flexibilities as designed.

MDE needs enforcement authority to ensure the environmental and health protections of all its regulations are realized. MDE has broad enforcement discretion as it relates to enforcing penalties for non-compliance with the ACC II and ACT requirements. The ACC II and ACT programs have regulatory flexibility that helps manufacturers comply with the programs without triggering enforcement processes. Flexibilities include a variety of different credits (early compliance, pooled vehicles, historic credits, and environmental justice credits) that can be used along with the ability to trade excess credits with other manufacturers that need credits.

The function of ACC II is to keep reducing vehicle costs and expanding model availability by deploying ZEV technology at a larger scale. Additional gaps in Maryland's participation in ACC II and ACT would mean manufacturers will prioritize ZEV sales in the other states that adopted the program, setting Maryland back on our clean energy, clean air, and climate change goals, and losing the significant benefits those vehicles provide to Marylanders.

Maryland's number one source of emissions is transportation. The AACII and ACT will substantially reduce air pollutants that threaten public health and cause climate change. The regulations would provide public health benefits over the life of the regulations by reducing premature deaths, hospitalizations and lost workdays associated with exposure to air pollution.

According to MDE, ACC II is projected to substantially reduce air pollutants that threaten public health, especially in overburdened and underserved communities that are disproportionately exposed to vehicular pollution. Between 2027 and 2040, ACC II is anticipated to deliver significant additional emission reductions including:

- 5,978 tons of nitrogen oxides (NOx), a precursor to ground-level ozone;
- 585 tons of particulate matter (PM 2.5), a significant respiratory irritant;
- 76.7 million metric tons of vehicular and power plant carbon dioxide (CO2), a potent driver of climate change.

These emissions reductions translate to significant health benefits and corresponding savings. By 2040, these reductions will provide an estimated aggregate net health benefit equal to \$603.5 million per year due to decreases in respiratory and cardiovascular illness and associated lost workdays. Delaying manufacturers participation in the programs by altering the consequences of non-participation will needlessly delay the significant health benefits these programs would provide.

Earthjustice strongly urges an unfavorable report for HB 1556.

Thank you for your consideration of this testimony. Should you have any questions, please contact me at smiller@earthjustice.org.

Respectfully submitted,

Susan Stevens Miller

Senior Attorney, Clean Energy Program

Suson Stevens Milly

Earthjustice

Testimony HB 1556 - CPSR.pdfUploaded by: Terrence Fitzgerald Position: UNF



Testimony on HB 1556 "Environment – Advanced Clean Cars II Program and Advanced Clean Trucks Regulation – Application and Enforcement"

House Environment and Transportation Committee

Date: March 12, 2025 Position: OPPOSE

Chesapeake Physicians for Social Responsibility (CPSR) is a statewide evidence-based organization of over 900 physicians and other health professionals and supporters that addresses existential public health threats: nuclear weapons, the climate crisis, and the issues of pollution and toxic effects on health, as seen through the intersectional lens of environmental, racial and social justice.

CPSR strongly opposes HB1556, which would effectively postpone the implementation of the Advanced Clean Cars II and Advanced Clean Trucks programs.

Our own Maryland Department of the Environment has written:

- Transportation is the largest source of climate pollution in Maryland.
- Electric vehicles are the largest opportunity to achieve reductions.
- Advanced Clean Cars II is our single largest existing climate pollution reduction strategy over the long term. ¹

The health benefits of these programs are innumerable. They result largely from the decrease in the release of local pollutants such as Nitrogen Oxides (which contribute to ozone) and Fine Particulate Matter (PM2.5), especially from trucks and other large vehicles. These health benefits include:

- Significantly decreased asthma and asthma attacks.
- Decrease of other chronic lung diseases
- Fewer heart attacks

All of the economic benefits of avoiding the above medical problems.

Perhaps more significant – in the long term - than all of the above is the powerful reduction in Greenhouse Gas Emissions [GHG] that can result from the Advanced Clean Cars II and Advanced Clean Trucks program. On behalf of CPSR I would like to place special emphasis on this.

Climate chaos represents an extremely serious threat to our civilization. We are not talking about inconveniences, but very serious changes to the livelihoods of many in the world. The massive fires and hurricanes that we have seen in our country are only part of the picture. Droughts, heat emergencies, and desertification in some regions, and floods and sea level rise in others are

¹ Testimony to E&T Committee by Secretary McIlwain on January 22, 2025

already resulting in mass migrations that destabilize nations and trigger wars. As these impacts multiply, there is a real risk of catastrophic changes to our civilization. However, our society is just not taking these threats seriously, as evidenced by our limited policy changes and our failure to fully and rapidly enact those limited changes.

According to the Maryland Department of Transportation, the current statewide emissions inventory "shows that on-road transportation is the single largest GHG emissions generator in Maryland, representing 36% of total GHG emissions." ² Therefore, that is where we should act if we are actually going to try to decrease our contribution to climate change.

Maryland has taken significant steps toward addressing the problem of pollution and GHG emissions from on road transportation. But HB 1556 would postpone this progress. We cannot afford this delay. This is a serious problem that we must take seriously. HB 1556 is just the opposite.

Our motto at CPSR, and a fundamental principle of public health, is that **WE MUST PREVENT WHAT WE CANNOT CURE**.

The eminent German physician and legislator Rudolf Virchow opined that "politics is nothing else but medicine on a large scale." Therefore, we physicians wish to join you legislators in working to prevent what we cannot cure by taking the step of giving an →UNFAVORABLE REPORT ON HB1556.

Terrence T. Fitzgerald, MD Baltimore, MD

²https://www.mdot.maryland.gov/tso/pages/Index.aspx?PageId=88#:~:text=The%20current%20statewide%20emissions%20inventory,rail)%20represents%20another%204%20percent

SEMA MD HB 1556 Testimony.pdf Uploaded by: Christian Robinson Position: INFO



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

HB1556_INFO_MDEUploaded by: Jeremy D. Baker

Position: INFO



The Maryland Department of the Environment Secretary Serena McIlwain

House Bill 1556

Environment - Advanced Clean Cars II Program and Advanced Clean Trucks Regulation - Application and Enforcement

Position: Informational

Committee: Environment and Transportation

Date: March 12, 2025

From: Jeremy D. Baker, Director of Government Relations

The Maryland Department of the Environment (MDE or the Department) is providing **INFORMATIONAL** testimony for HB 1556.

Bill Summary

House Bill 1556 would temporarily suspend MDE's enforcement and penalty authority for the Advanced Clean Cars II Program ("ACCII") and Advanced Clean Trucks ("ACT") regulations in model years 2027 (MY27) and 2028 (MY28) while keeping the underlying requirements in place. Under the bill, MDE would not enforce requirements for zero-emissions vehicle ("ZEV") deployments, battery durability, warranties, or other provisions in the programs for those two model years.

Position Rationale

HB 1556 would allow any manufacturer that does not meet the MY27 or MY28 requirements, to avoid any enforcement action from the Department, including financial penalties. The bill will provide flexibility for manufacturers and Maryland dealers but has the capability to slow the progress toward the State's emissions reduction goals.

The ACCII and ACT programs only apply to manufacturers of light duty and medium/heavy duty vehicles, respectively, not to vehicle dealers or consumers, directly. Both regulations include flexibilities that allow manufacturers to phase in ZEV sales requirements at a slower pace, including credit trading, historical credit use, and hybrid deployments to demonstrate compliance.

Both ACCII and ACT programs create incremental goals for manufacturers to increase the share of their annual new vehicle sales that are ZEVs in the state. Under ACCII, the MY27 goal starts at 43% for light-duty vehicles and rises to 51% for MY28, while ACT sets initial targets of 15-20% for various classes of medium/heavy duty vehicles. Manufacturers can utilize flexibility mechanisms available to phase in these goals more gradually. Maryland made notable progress in transitioning to ZEV in 2023, reaching approximately 12% light duty ZEV sales, 5.5% medium duty ZEV sales, and 3.9% heavy duty ZEV sales ahead of the 2027 targets. However, it remains challenging for the state to meet the fully established goals under ACCII and ACT without significant federal investments in infrastructure and consumer incentives.

Within months of taking office, Governor Moore announced Maryland's adoption of the multi-state Advanced Clean Cars II rule, and later after the 2023 session signed Ch. 97 of 2023, which required the Department to adopt regulations establishing requirements for zero-emission medium- and heavy-duty vehicles in accordance

with Advanced Clean Trucks. Additionally, in 2024, Governor Moore allocated \$23 million in grants to install electric vehicle charging infrastructures in low-and-moderate-income communities.

In an increasingly uncertain federal landscape without the necessary support for infrastructure and consumer incentives, Maryland's ability to accelerate ZEV adoption and meet the ACCII goals remains challenging. To address this, the Moore-Miller Administration and the Department are working with counterparts in partner states, including California, to continue to assess additional options to ease compliance with these programs in light of Federal actions.

Accordingly, MDE respectfully requests the Committee consider this information during its deliberation.

HB1556.pdfUploaded by: Richard Tabuteau
Position: INFO

VOLVO

TO: The Honorable Marc Korman, Chair

Members, House Environment & Transportation Committee

Speaker Pro Tem Dana Stein

FROM: Richard A. Tabuteau

DATE: March 12, 2025

RE: LETTER OF INFORMATION – House Bill 1556 – Environment - Advanced Clean

Cars II Program and Advanced Clean Trucks Regulation - Application and

Enforcement

In accord with the Clean Truck Partnership signed in mid-2023 between California's Air Resources Board (CARB) and vehicle manufacturers, including Volvo Group North America, Volvo Group is required to take a neutral position on House Bill 1556 and, therefore, submits this Letter of Information.

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 announced its ambition 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.

House Bill 1556 prohibits the Maryland Department of the Environment from applying enforcement of penalty provisions under the Advanced Clean Truck regulations (ACT) for model years 2027 and 2028. The intention conveyed by this legislation is to provide additional relief to truck manufacturers who might be unable to achieve the required sales percentages in those years.

In 2023, Volvo Group testified favorably with amendments on the Clean Trucks Act of 2023, but raised numerous concerns about the lack of a sufficient supporting ecosystem in Maryland needed to implement the ACT. The law, among other things, required the Maryland Department of Environment (MDE) to update existing regulations and incorporate by reference

CARB's ACT regulations to take effect in the 2027 model year. MDE, in consultation with several other agencies, could delay implementation of the regulations by one or more model years if, through a needs assessment and deployment plan, it determines, based on criteria such as 1) energy infrastructure, 2) number of medium- and heavy-duty truck charging stations, 3) purchase incentives, and 4) timeline and feasibility for transitioning the State truck fleet to zero emission, that implementation of the regulations is not yet feasible. The plan was due to the General Assembly on December 1, 2024, and to this date has yet to be completed.

Now two years later, Volvo Group maintains its same concerns of an insufficient supporting ecosystem in Maryland. In fact, these concerns have grown in recent months in light of the uncertain future of funding in support of this transition that had been awarded by the federal government.

The California Air Resources Board has approved a series of amendments to the ACT regulation, which are soon expected to be approved by the California Office of Administrative Law. Under Section 209(e)(2)(B) of the Clean Air Act, states adopting California emissions regulations must do so in their entirety, so they are identical to the California regulation. Nevertheless, some states that have adopted California's ACT regulation have also enacted enforcement discretion provisions to address state specific concerns. House Bill 1556 appears to similarly establish specific enforcement discretion in the state of Maryland.

Volvo Group appreciates the opportunity to present this Letter of Information to the House Environment & Transportation Committee in its consideration of House Bill 1556.

For more information call:

Richard A. Tabuteau 347.886.2904