

February 25, 2022

Chair Barve, Vice Chair Stein, and Honorable Members of the House Committee on Environment and Transportation:

On behalf of Sysco Corporation (Sysco), thank you for the opportunity to provide written testimony **supporting HB 894, the Transportation Electrification and Modernization (TEAM) Act**. As one of the largest Maryland heavy-duty commercial fleet operators, we applaud Governor Hogan and the Maryland Energy Administration for their commitment to reduce greenhouse gas emissions in the transportation sector.

Sysco is the global leader in selling, marketing, and distributing food and food-related products to restaurants, healthcare, and educational facilities, lodging establishments and other customers who prepare meals away from home. In Maryland, our broadline distribution facilities in Jessup and Pocomoke City and specialty meat company in Landover service thousands of Maryland customers each year, delivered by our fleet of over 500 heavy-duty trucks and trailers to ensure our customers' orders are fulfilled to their exact specifications.

Sysco has developed several ambitious corporate social responsibility priorities that will assist Maryland in achieving their carbon reduction goals. Electric vehicles are expected to have a major impact on the transportation industry to reduce carbon emissions, and at Sysco we continue to test technologies and forge new partnerships to achieve **our target of electrifying 35% of our nationwide fleet by 2030**. We are starting our fleet electrification efforts in California, but desire to expand to the East Coast, specifically Maryland, in the coming years.

While Sysco is committed to reducing transportation emissions, the upfront capital costs for purchasing electric trucks, trailers, and charging infrastructure in the current marketplace are cost-prohibitive, absent sufficient and sustainable public cost-sharing. **One Class 8 electric truck costs at least 300% more than a similar Class 8 diesel truck, and the affiliated on-site charging infrastructure adds approximately 20% to the final price tag.**

Due to the high-cost differential between these technologies, public grant incentive programs play a critical role in the development and deployment of Medium and Heavy-Duty Zero Emissions Vehicles across the transportation sector. **For this reason, we believe the Medium and Heavy-Duty Zero Emission Vehicle Grant Program established by HB 894 is essential and will go a long way in encouraging fleets to electrify their operations.**

Removing just one older Class 8 diesel truck from the road and replacing it with a Class 8 electric truck is the equivalent of reducing greenhouse gas emissions from 10 passenger cars. When fully funded and established, the Maryland Medium and Heavy-Duty Zero Emission Vehicle Grant Program has the potential to reduce the equivalent of greenhouse gas emissions from over 5 million miles driven by an average passenger vehicle and carbon dioxide emissions from nearly 2.5 million pounds of coal burned.

Additional benefits of electric truck deployment include:

- Reducing noise and air pollution at the home sites for commercial fleets and throughout their entire service areas, including in many environmental justice communities;



- Increasing worker health, satisfaction, and safety for drivers and others who are employed in loading and maintaining commercial fleets; and
- Removing older diesel vehicles from the roads, greatly reducing carbon dioxide emissions.

HB 894 will indisputably position the State of Maryland as a leader in mitigating emissions from the transportation sector. With its passage, Sysco looks forward to a long-term partnership with Maryland in the way of transportation sustainability.

If you have any questions or concerns, please feel free to reach out using the contact information below. Thank you for the opportunity to provide comments, and we look forward to working with the Maryland General Assembly and the Maryland Energy Administration throughout this project.

Sincerely,

A handwritten signature in blue ink that reads "Brad Christie". The signature is written in a cursive, slightly slanted style.

Brad Christie
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Our goal is to electrify 35% of our diesel truck fleet by 2030. A public-private partnership with the State of Maryland can help us meet this goal.

Providing incentives for private companies to electrify their heavy-duty commercial fleets supports several Maryland economic and environmental goals:

- **Reduces noise and air pollution** not only at the home sites for commercial fleets but also throughout their entire service areas, including in many environmental justice communities.
- **Increases worker health, satisfaction, and safety** for drivers and others who are employed in loading and maintaining commercial fleets.
- Removes older diesel vehicles from the roads, **greatly reducing carbon dioxide emissions**

Electric Truck Deployment Data

Over the next decade, Sysco has the capacity to deploy up to 95 electric tractors at our two Maryland sites (Jessup and Pocomoke City), replacing our heavy-duty diesel fleet. Deploying 95 electric tractors is the equivalent of:

- **Reducing GHG emissions from:**
 - 1,031 passenger cars; and
 - 11,913,815 miles driven by an average passenger car.
- **Reducing carbon dioxide emissions from:**
 - 533,420 gallons of gasoline consumed;
 - 465,668 gallons of diesel consumed;
 - 5.2 million pounds of coal burned; and
 - 10,975 barrels of oil consumed.

Why are incentives needed?

While Sysco is committed to reducing transportation emissions, the upfront capital costs for purchasing electric trucks, trailers, and charging infrastructure in the current marketplace are cost-prohibitive absent sufficient and sustainable public cost-sharing. **One Class 8 electric truck costs at least 300% more than a similar Class 8 diesel truck**, and the affiliated on-site charging infrastructure adds approximately 20% to the final price tag.

For example, Sysco projects the costs of replacing its current diesel vehicle fleet on their scheduled retirement timeline with new diesel vehicles through 2031 would be \$10.26 million. Without any incentives, the cost to transition these same vehicles to electric and install necessary charging infrastructure over the same time frame would total \$39 million. With the proposed the Maryland **Medium and Heavy-Duty Zero Emission Vehicle Grant Program**, the total cost to transition to electric vehicles would be reduced closer to parity with diesel vehicles, a much more reasonable cost difference that makes deployment an economic reality.

About Sysco in Maryland: Sysco is global leader in selling, marketing and distributing food and food-related products to restaurants, healthcare and educational facilities and lodging establishments who prepare meals away from home. In Maryland, we operate 3 facilities and employ 921 people. Our Maryland based fleet is comprised of 292 tractors and 204 trailers.

Please contact Bernie Marczyk with Cornerstone Government Affairs (202-744-8933 or bmarczyk@cgagroup.com) with any questions.