



Chair Kumar Barve
Environment and Transportation Committee
House Office Building
6 Bladen St., Annapolis, MD 21401

RE: Business, Investor, and Employer Support for the Advanced Clean Trucks Rule

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

My name is Dave Robba and I am a member of the state policy team at Ceres – a nonprofit organization that advances leadership among investors, companies, and capital market influencers to transform the economy and create a just and sustainable future for people and the planet. **I am writing to express Ceres’ support for SB 0224 - the Clean Trucks Act of 2023, which would require the state to adopt the Advanced Clean Trucks (ACT) rule.**

Ceres organizes several influential business networks including the [Business for Innovative Climate and Energy Policy Network](#) (BICEP) - a coalition of over 80 major businesses - all committed to driving sustainability throughout the economy; the [Ceres Investor Network](#), which includes 175 members with collectively nearly \$30 trillion in assets under management; and the [Corporate Electric Vehicle Alliance](#) (CEVA) - a collaboration of 30 companies looking to completely decarbonize and electrify their fleets that collectively own, lease or operate nearly 1.3 million on-road vehicles in the United States.

The companies and investors in our networks see climate change as a significant risk and reducing carbon emissions as an economic opportunity. In fact, [thousands of businesses](#) are working to reduce their short-term emissions in line with climate science and have committed to reaching net-zero no later than 2050. To make progress on these commitments, many businesses are focused on transitioning their MHD fleets to the use of zero-emission vehicles.

A growing number of clean vehicles offer significant cost savings through lower fuel and maintenance costs, and reduce the risk associated with the volatility of fossil fuel prices and supply. A recent survey and analysis of CEVA members revealed plans to procure approximately [330,000 electric vehicles](#) over the next five years, as appropriate models become available. However, commercial vehicle electrification still faces significant challenges due to higher upfront costs, weight, charging time, battery range, and the availability of charging infrastructure.

This is why more than **85 major businesses**, institutions, healthcare systems, employers, and investors with nearly **\$43 billion in assets under management** - including many with operations or business interests in Maryland - [signed a letter calling on states across the nation to adopt the ACT Rule](#).

Market-enabling policies like the ACT address the current challenges facing the business community by rapidly unlocking the long-term savings, climate, and clean air benefits of medium- and heavy-duty vehicle (MHDV) electrification, while spurring the much-needed widespread deployment of charging infrastructure. The ACT rule will help bring down costs by requiring manufacturers to increase model availability to meet the needs of fleet operators and invest in clean transportation research and development.

These actions will enable cost-effective electrification of commercial vehicles at the pace and scale needed for the members of Maryland’s business community to align their operations with the state’s

commitment to reduce emissions 60% by 2031 and achieve net-zero emissions economy-wide by 2045. With transportation accounting for more emissions than any other sector in the state and MHDVs emitting a disproportionate amount of carbon, nitrous oxide, and particulate matter emissions, transitioning to zero-emission MHDVs will be critical to the state's ability to meet these ambitious goals.

Choosing not to adopt the ACT rule could also make it increasingly difficult for companies in Maryland to access the electric and zero-emission MHDV models they need. This is because OEMs will be incentivized to sell the electric and zero-emission models they produce to states that have adopted the rule to ensure they comply with its supply requirements. If OEMs provide more vehicles than required by the rule, they receive a credit that they can sell, so there will be considerable incentives to supply ACT adopters over non-participating states.

Seven states have already adopted the rule, including: California, Massachusetts, New Jersey, New York, Oregon, Vermont, and Washington. Two additional states, Colorado and North Carolina, are in the process of adopting the rule.

The Clean Trucks Act of 2023 will bring Maryland into the vanguard of clean transportation policy, accelerate the cost-effective deployment of electric medium- and heavy-duty vehicles, drive local innovation and investment in clean technology development and manufacturing, allow our fleet owners and operators to meet financial and climate goals, and significantly reduce air pollution-related health impacts and costs across the state.

We encourage a favorable report on this legislation and look forward to working with you to continue reducing transportation emissions.

Sincerely,
Dave Robba