

November 6, 2024

The Honorable Kathy Hochul  
Governor  
NYS Capitol Building  
Albany, NY 12224

Dear Governor Hochul,

On behalf of a broad range of businesses, we are writing to express our concerns and request a delay in New York's implementation of the California Air Resource Board (CARB) Advanced Clean Truck (ACT) and Heavy-Duty Omnibus (HDO) rules, due to take effect on January 1, 2025 and January 1, 2026, respectively.

Since this timeline was introduced in 2021, our state's economic circumstances and challenges have changed significantly. As you've noted, we are facing an affordability crisis. New Yorkers are struggling to make ends meet. Now is not the time to add yet another burden to working- and middle-class families. The implementation of these regulations will only hinder our continued economic recovery, leading to increased costs for businesses and residents across New York.

Additionally, given the lack of technological advancements and infrastructure necessary to support these regulations, premature implementation of these rules may actually slow the reduction of emissions from the transportation sector while harming a wide variety of industries within the private and public sector.

The ACT rule requires an increasing percentage of medium- and heavy-duty zero-emission vehicle (ZEV) sales starting on January 1, 2025, for manufacturers to continue to sell internal combustion engine (ICE) vehicles without penalty. Beginning in 2025, the required ZEV sales percentage for class 7-8 trucks is seven percent.

On average 400 class 8 ICE vehicles are registered each month in New York. In order to meet the ACT ZEV sales requirements beginning with model year 2025, 28 electric class 8 ZEVs would need to be sold each month to support the average industry new truck sales. Currently, an average of only 4 class 8 ZEVs have been sold each month over the last year and a half. There would need to be a 600 percent increase in Class 8 ZEV sales to meet the 2025 requirement.

For multiple reasons, dealers will not be able to increase their ZEV sales by that significant of an increase, including the lack of ZEV charging infrastructure for heavy trucks, as well as the exorbitant cost associated with the purchase and use of ZEVs.

Since the ACT was adopted in 2021, New York has not installed a single, publicly available, heavy-duty charger. In addition, the federal prohibition under 23 USC 111 restricts user-pay ZEV charging stations on interstate highways, further hindering progress. As a result, New York is no further along in building out the necessary charging infrastructure than it was four years ago.

Additionally, the cost of a commercial ZEV is nearly \$500,000 as compared to that of its diesel counterpart which ranges between \$180,000 and \$200,000. Even with incentives, this price disparity makes it difficult for motor carriers to justify the investment, especially given that ZEVs have limited range and applicability for many operations.

In addition to the cost of ZEVs and chargers, existing facilities would need extensive retrofitting to accommodate the increased power demand. This includes significant utility “make-ready” costs to supply the necessary power. These infrastructure and retrofitting costs represent a further economic burden for motor carriers.

Starting in 2026, fleet owners in New York will only be able to purchase medium- and heavy-duty trucks that comply with the HDO rule. The HDO rule would drastically cut NOx emissions from heavy-duty engines. However, manufacturers have not yet developed enough engines that meet this standard. New York is one of a few states that have adopted the HDO rule, leaving our public and private fleet owners competing for a limited supply of compliant trucks. As a result of an agreement between CARB and truck manufacturers, the CARB rule will sync up with the Environmental Protection Agency’s Low NOx standard beginning in 2027, which would put New York on a level playing field with other states across the nation.

The New York State Department of Environmental Conservation (NYSDEC) has already acknowledged the compliance difficulties with these rules by issuing a letter of enforcement discretion for certain medium- and heavy-duty trucks used by state and local agencies, allowing them to continue purchasing ICE trucks through January 1, 2027, without penalties for manufacturers. While we understand the importance of these vehicles for public safety, we question why similar relief is not being extended to private-sector businesses that provide essential services such as the delivery of road salt, food, fuel, pharmaceuticals and other critical supplies.

The trucking industry is essential to New York, hauling over 96 percent of freight in the state and serving as the lifeline for nearly 90 percent of communities that rely exclusively on trucks to move their goods. That includes the equipment and materials needed for infrastructure or construction projects—from highways to offshore wind projects to affordable homes. Implementation of the above referenced regulations at this time may severely impact the cost of these projects and lead to disruptions in the supply chain, all while limiting the ability for carriers to invest in new equipment. Moreover, a strong trucking industry is critical to achieving the goals of New York’s Climate Leadership and Community Protection Act (CLCPA), including the construction of 9,000 megawatts of offshore wind by

2035, 6,000 megawatts of distributed solar by 2025, and 3,000 megawatts of energy storage by 2030. The trucking sector is also key to delivering on major economic development projects, such as the \$100 billion Micron semiconductor facility in Central New York and the \$20 billion IBM semiconductor facility in the Mid-Hudson region.

To be clear, we fully support the transition to zero-emission vehicles. The trucking industry has worked collaboratively with government partners for many years to reduce the emissions from heavy-duty trucks. As a result, the industry has seen tremendous achievements, reducing pollutants by nearly 99 percent. In fact, it would take 60 of today's trucks to generate the same level of nitrogen oxide and soot emissions coming from a single truck in 1988.

Trucking has virtually phased-out harmful sulfur in diesel fuel, practically eliminated sulfur oxide emissions, and significantly reduced fine particulate matter from trucks – improving the air quality, wellbeing, and livability of our communities.

This success was a result of working together, not from overly aggressive mandates that create significant economic burdens and ignore the challenges that still face the industry as it moves toward the use of zero-emission vehicles.

These are serious challenges that must be overcome before we see trucking companies make significant investments in ZEVs. We respectfully request that you consider delaying the implementation of the ACT and HDO rules until at least 2027, allowing time to establish a reasonable pathway toward the transition to ZEVs that will not unduly harm our dealers, our motor carriers and the fragile economy of New York.

Sincerely,

American Council of Engineering Companies  
Associated Builders and Contractors NYS  
Associated General Contractors of NYS  
Buffalo Niagara Partnership  
Business Council of Westchester  
Capital Region Chamber  
Cayuga Marketing LLC  
CenterState CEO  
Clean Communities of Central New York  
Empire State Forest Products  
Food Industry Alliance  
Greater Binghamton Chamber of Commerce  
Long Island Association  
Motor Transport Association of Connecticut  
National Federation of Independent Business  
National Retail Lumber Association

National Waste & Recycling Association  
New York Association of Convenience Stores  
New York Construction Materials Association  
New York Farm Bureau  
New York State Beer Wholesalers Association  
New York State Builders Association  
New York State Economic Development Council  
New York State Energy Coalition  
Northeast Agribusiness and Feed Alliance  
Northeast Dairy Producers Association  
NY Metropolitan Trucking Association  
NYS Auto Dealers Association  
NYS Restaurant Association  
Retail Council of New York State  
Rhode Island Trucking Association  
Rockland Business Association  
The Business Council of NYS  
The Linen, Uniform and Facility Services Association  
Truck Renting and Leasing Association  
Trucking Association of Massachusetts  
Trucking Association of New York  
Upstate United