

Administrator Michael Regan
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20450

June 16, 2023

Re: Proposed Greenhouse Gas Emissions Standards for Heavy-Duty Vehicles - Phase 3; EPA-HQ-OAR-2022-0985; FRL-8952-01-OAR.

Dear Administrator Regan,

I write on behalf of the Ceres BICEP (Business for Innovative Climate and Energy Policy) Network - a coalition of 84 major companies employing nearly 6 million, and generating nearly \$2 trillion in annual revenue from their operations. BICEP Network members are committed to ambitious climate action, advocating for stronger U.S. climate and clean energy policies at the state and federal levels.

The BICEP Network urges the U.S. Environmental Protection Agency (EPA) to adopt greenhouse gas (GHG) emissions standards for heavy-duty vehicles aligned with the 2030 and 2050 U.S. climate commitments. Specifically, the BICEP Network urges EPA to adopt:

- **Heavy-Duty Vehicle (HDV) Phase 3 GHG standards that are stronger than those proposed**, and that support zero-emission vehicle (ZEV) adoption at least consistent with California’s Advanced Clean Trucks (ACT) rule, which requires 60% zero-emission vehicle (ZEV) sales share for Class 4-8 vehicles and 40% ZEV sales share for Class 7-8 tractors by model year (MY) 2032.¹ Given the adoption of the ACT rule by California and other states; manufacturer, fleet, and shipper ZEV commitments; and the significant incentives provided by the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) for vehicle and battery manufacturers, purchasers, and charging infrastructure, standards supporting greater ZEV sales shares are justified. Stronger standards can be met by incorporating additional GHG emission reductions from internal combustion engine (ICE) vehicles as well as from greater ZEV sales shares.

BICEP Network companies see climate change as a significant business risk, and reducing GHGs as a major economic opportunity. In its most recent March 2023 report,² the International Panel on Climate Change (IPCC) emphasized the necessity to “massively fast-track climate efforts by every country and every sector and on every timeframe,” underscoring the urgency of drastically reducing GHG emissions

¹ <https://ww2.arb.ca.gov/sites/default/files/2023-06/ACT-1963.pdf> (p.5)

² <https://www.ipcc.ch/report/ar6/syr/>

by 2030.³ Given that the transportation sector is the largest source of U.S. GHG emissions,⁴ and heavy-duty vehicles represent an outsized portion of those emissions, strong truck standards are critical to meeting U.S. climate goals of limiting warming to well-below 2° Celsius.⁵ BloombergNEF’s June 2023 EV Outlook concludes that the heavy truck sector in particular is “far behind the net-zero trajectory and should be a priority focus for policymakers.”⁶ Recent analysis from the International Council of Clean Transportation (ICCT) concludes that fully aligning the U.S. medium- and heavy-duty vehicle sector with climate goals would require a 55% ZEV sales share for MHDVs in 2030, including a 40% ZEV sales share for long-haul tractors.⁷ Although ICCT projects that IRA incentives could stimulate up to 44% heavy-duty ZEV sales in 2030, EPA’s current proposal falls short of even this level of ZEV sales share, let alone what is needed to meet climate goals.⁸

BICEP members’ abilities to meet their own climate commitments are also contingent on strong standards that will ensure the availability of clean trucks across the U.S. and drive the necessary shift to electrification. Vehicle manufacturers like Ford, Daimler, Volvo, and Navistar have committed to 50% or higher zero-emission truck sales by 2030.⁹ Unfortunately, truck manufacturers have generally set more ambitious goals and are providing greater ZEV availability in the European Union. Strong U.S. standards are necessary to spur greater availability and sales of ZEVs in the U.S. BICEP members also recognize that stronger HDV emissions standards will mitigate the economic risks of volatile fuel prices, and reduce transportation costs given that they will ensure the availability of more efficient internal combustion engine (ICE) vehicles in addition to driving greater deployment of ZEVs, which will be increasingly cost effective given advances in technology and economies of scale, in addition to offering operational cost savings.¹⁰ Electric heavy truck sales are increasing,¹¹ and a growing number of companies, including Amazon, FedEx, and WalMart,¹² have committed to electrifying their fleets in addition to setting transportation GHG reduction goals and advancing EV charging.¹³ While there is the growing momentum toward electric trucks represented by manufacturer and fleet commitments, it is critical that EPA

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<https://www.unmultimedia.org/avlibrary/asset/3022/3022200/#:~:text=UN%20Secretary%2DGeneral%20Ant%C3%B3nio%20Guterres%20said%20that%20the%20new%20IPCC,on%20all%20fronts%20%2D%2D%20everything%2C>

⁴ <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>

⁵ <https://www.epa.gov/greenvehicles/fast-facts-transportation-greenhouse-gas-emissions>

⁶ <https://about.bnef.com/electric-vehicle-outlook/>

⁷ <https://theicct.org/wp-content/uploads/2023/04/hdv-phase3-ghg-standards-benefits-apr23.pdf>

⁸ <https://theicct.org/publication/ira-impact-evs-us-jan23/>

⁹ <https://theicct.org/wp-content/uploads/2023/04/hdv-phase3-ghg-standards-benefits-apr23.pdf>

¹⁰ <https://theicct.org/wp-content/uploads/2023/03/cost-zero-emission-trucks-us-phase-3-mar23.pdf>

¹¹ <https://www.iea.org/reports/global-ev-outlook-2022/trends-in-electric-heavy-duty-vehicles>

¹² <https://theicct.org/wp-content/uploads/2023/04/hdv-phase3-ghg-standards-benefits-apr23.pdf> (p.4)

¹³ <https://www.dgardiner.com/corporate-transportation-decarbonization-initiatives/>

provide a strong market signal to support those commitments by adopting stringent standards. Further, strong standards will ensure billions of dollars in savings from health and climate costs.¹⁴

Finally, heavy-duty vehicles are largely responsible for the harmful pollutant emissions that disproportionately impact historically low-income and BIPOC¹⁵ communities located near fleet depots, major transportation corridors, distribution centers, and ports. 41% of Americans live in communities with unhealthy air pollution, and a person of color is 61% more likely than a white person to live in such a community. Further, the American Lung Association predicts that the U.S. could see \$735 billion in public health benefits from cleaner air by 2050 as the nation shifts to zero-emission trucks and power.¹⁶EPA must finalize strong HDV emission standards as soon as possible to protect the health of those in these vulnerable communities and realize these significant economic benefits.

Thus, on behalf of the companies in the BICEP network, I urge EPA to adopt Phase 3 heavy-duty vehicle standards that will support ZEV adoption rates that are at least consistent with those required by California's ACT rule as well as ensure greater reductions from ICE vehicles. Thank you for your consideration of these comments.

Sincerely,



Anne L. Kelly

Vice President Government Relations,

On behalf of Business for Innovative Climate and Energy Policy (BICEP)

The [Ceres BICEP Network](#) comprises influential companies advocating for stronger climate and clean energy policies at the state and federal level in the U.S. As powerful champions of the accelerated transition to a low-carbon economy, Ceres BICEP Network members have weighed in when it has mattered most. For more information on the Ceres BICEP Network, visit www.ceres.org/BICEP.

cc:

Ali Zaidi

¹⁴ <https://theicct.org/wp-content/uploads/2023/04/hdv-phase3-ghg-standards-benefits-apr23.pdf>

¹⁵ Black, Indigenous, People of Color.

¹⁶ <https://www.lung.org/getmedia/e1ff935b-a935-4f49-91e5-151f1e643124/zero-emission-truck-report.pdf>



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