

Ceres BICEP

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Workday
Worthen Industries



June 21, 2021| Submitted Electronically

NJ Department of Environmental Protection
Office of Legal Affairs
401 East State Street, 7th Floor
Trenton, NJ 08625-0402

RE: DEP Docket No. 05-21-03; Business Coalition Support for Adoption of the Advanced Clean Truck (ACT) Rule and Fleet Reporting Requirements in New Jersey

Dear Commissioner LaTourette and Ms. Hanna:

On behalf of the Ceres BICEP (Business for Innovative Climate and Energy Policy) Network, a coalition of more than 70 major businesses across the United States, we write to express our strong support for New Jersey's adoption of the Advanced Clean Truck (ACT) rule. [The ACT rule](#) is an essential policy to achieve an efficient and sustainable transportation system that cost effectively reduces air pollution and climate emissions. Transportation is the largest source of greenhouse gas (GHG) emissions in the U.S. and in New Jersey, accounting for more than 40 percent of gross emissions¹ in the state. In addition to contributing to climate pollution, medium- and heavy-duty vehicles (MHDVs), typically run on diesel fuel, the top source for criteria pollutants like NO₂ and PM_{2.5} that threaten human health.² Electrification of the commercial medium- and heavy-duty transportation sector is both a critical public health initiative and an effective market lever to build a cleaner, more resilient, and equitable economy.

Climate change poses a significant risk to the long-term economic success of our members, impacts the health and livelihood of the communities in which they live and operate, and disrupts the value chains they rely on. Because of these risks, more than 1,000 companies globally, including nearly 250 headquartered here in the U.S., have set comprehensive science-based targets for reducing GHGs.³ However, companies cannot fully address the risks or realize the value of tackling climate change without a robust market for clean transportation solutions and strong carbon reduction policies that send clear, long-term economic signals. **The ACT rule will accelerate the cost-effective deployment of electric MHDVs—allowing our members to meet vital financial and climate goals— and yield a plethora of public health and economic benefits for the public.**

The ACT rule will drive innovation and investment in clean transportation technology development and manufacturing. A more robust clean transportation industry in New Jersey

¹ NJ DEP, 2021. *NJ Greenhouse Gas Inventory: Mid-Cycle Update Report*. https://www.nj.gov/dep/aqes/ghgarchive/MCU%20GHG%20Inventory_2021.pdf

² Science Direct, 2019. *Environment International*, Vol. 130. <https://www.sciencedirect.com/science/article/pii/S0160412019300376>

³ The Science Based Targets Initiative, 2021. <https://sciencebasedtargets.org/companies-taking-action#table>

The BICEP members listed on the left in **bold are headquartered or have a significant footprint in New Jersey.*

will create new jobs and provide significant financial benefits for the state. Indeed, recent preliminary analysis estimates that the ACT could generate \$4.6 billion in climate benefits, \$2.5 billion in health benefits, \$2.7 billion in fleet savings, and the creation of high paying jobs. This is particularly important for low-income communities, especially those that live near freight hubs and transportation corridors, who are more likely to suffer from the adverse health impacts of higher levels of toxic tailpipe particulate matter than affluent communities. Improving air quality is not only the right thing to do for public health and for these vulnerable communities, it also makes economic sense. Recent analysis found that transitioning to 100% zero-emission MHDVs in the U.S. by 2040 would yield cumulative health cost savings of \$485 billion by 2050 from reduced pollution.⁴ This transition would also bring invaluable quality of life improvements from avoided respiratory illness and related hospitalizations as well as regained school and work days.

And it's achievable – continued advances in low and zero-emission vehicle technology are expected to make all zero-emission trucks and buses cost competitive by the end of the decade. Already, many zero-emission trucks and buses have a lower total cost of ownership than their diesel equivalents, even without incentives.^{5 6} In the years ahead, access to zero-emission trucks will be critical for our members to achieve their financial and sustainability goals, as well as to the long-term economic success of the trucking industry.

We need strong policies to coordinate industry leaders and stakeholders, increase access to zero-emission vehicles, and drive market transformation at a pace and scale the private sector cannot achieve on its own.⁷ The ACT rule will push manufacturers to increase model availability to meet the needs of fleet operators, drive investment in clean transportation research and development, and encourage economies of scale that will help bring down costs. But in order to adequately meet the needs of fleet operators, the state needs to understand the makeup, locations, and operations of existing fleets. While California set a precedent for a one-time reporting requirement for private fleet owners with 50 or more vehicles, this reporting threshold is too high to adequately capture existing fleets in New Jersey. **We recommend adopting a minimum reporting threshold of 10 vehicles to capture at least a third of New Jersey's medium- and heavy-duty vehicle fleets and performing annual evaluations to ensure the existing threshold remains adequate.** The data gathered through a lower threshold will help New Jersey craft supporting policies and incentives to ensure the success of the ACT, the rapid decarbonization of the sector, and the near-term unlocking of the long-term cost savings our members seek.

The ACT rule is a key first step in a suite of policies needed to address some of the primary challenges our members face when considering fleet electrification. These include: (1) limited EV model availability, especially in the MHDV sector; and (2) lack of control over leased, rented and/or up/downstream transportation. **By adopting additional policies to accelerate MHDV electrification alongside the ACT rule, New Jersey can realize the benefits of a clean, energy efficient transportation system even sooner.** As such, we urge the Department of Environmental Protection (DEP) and state

⁴ EDF, 2021. *Clean Trucks, Clean Air, American Jobs*. https://www.edf.org/sites/default/files/2021-03/HD_ZEV_White_Paper.pdf

⁵ UCSUSA, 2019. *State Electric Vehicle Benefits*. https://www.ucsusa.org/sites/default/files/2019-11/state-ev-methodology_0.pdf

⁶ ACEE, 2021. *Electrifying Trucks From Delivery Vans to Buses to 18-Wheelers*. <https://www.aceee.org/sites/default/files/pdfs/t2102.pdf>

⁷ DOE/LBNL, 2021. *Commercial truck electrification is within reach*. https://www.eurekaalert.org/pub_releases/2021-03/dbnl-cte031521.php

policymakers to also consider adoption of the Advanced Clean Fleets rule, the Heavy-Duty Omnibus (HDO) rule, and a broad array of ZEV incentives and support for charging infrastructure which are particularly lacking for MHDVs.

The ACT rule is also a necessary next step for New Jersey and the other fourteen states⁸ that committed last July to a MHDV MOU to decarbonize all truck and bus sales by 2050 – the largest ever multi-state collaboration to reduce commercial transportation emissions. In response, more than 50 businesses, institutions, and investors - including several major New Jersey fleet operators such as **DHL**, **DSM North America**, **IKEA Retail U.S.**, **Nestlé**, **PepsiCo**, and **Unilever** - [signed a letter](#) sharing their support for the MOU and the implementation of a MHDV electrification action plan. New Jersey is also striving to achieve 80% GHG emissions reductions by 2050. By driving market transformation, the ACT rule will enable New Jersey and other states to follow through on their commitments and simultaneously help businesses to remain competitive in a market where their customers, investors, patients, students, and employees increasingly expect them to lead on sustainability.

As our nation looks towards recovery from the COVID-19 pandemic, we cannot afford to falter in addressing the ongoing crisis of climate change. **The Ceres BICEP Network urges the New Jersey DEP to adopt the ACT rule and accelerate MHDV electrification.** The ACT rule will generate cost savings for fleet owners, jobs and economic growth, all while improving public health for the people and businesses of New Jersey. Thank you for your time and consideration, and please be in touch with any questions.

Sincerely,

Anne L. Kelly
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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.

⁸ California, Connecticut, Colorado, Hawaii, Maine, Maryland, Massachusetts, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, and Washington, as well as the District of Columbia (as of July 2020)