Maryland Motor Truck Association

February 7, 2020

The Maryland Motor Truck Association (MMTA) is a non-profit trade association that has represented the trucking industry since 1935. In service to our 1,000 members, MMTA submits the following comments in response to the Draft Memorandum of Understanding of the Transportation Climate Initiative (TCI).

Over the past decade, MMTA has worked closely with the Maryland Department of the Environment and the Maryland Energy Administration to design a series of programs to voluntarily reduce commercial motor vehicle emissions. These include grant programs for the purchase of alternative power units, financial assistance to help companies replace older model diesel trucks with clean diesel, natural gas and electric powered vehicles, and the "Idle Free MD" outreach campaign encouraging drivers to turn off their engines and avoid idling whenever possible. Yet the question remains, "How do we achieve the stated goals of TCI without major disruptions to business?"

There is clearly no silver bullet that will achieve these goals. To that end, MMTA encourages a multi-faceted strategy that includes:

- A continued focus on voluntary measures backed by financial incentives to assist companies with adoption of cleaner technologies, such as the Port of Baltimore Dray Truck Replacement Program. This program not only helps to reduce air pollution and greenhouse gases associated with the transport of goods to and from the Port of Baltimore, but also supports TCI's stated goals of equity and environmental justice.
- An approach that considers all fuel options – including some continuation of fossil fuel use, such as clean diesel, natural gas, and biofuels as bridge fuels while other technologies are enhanced to meet the operational needs of the trucking industry. Both biodiesel and renewable diesel fuel are capable of significantly reducing greenhouse gas emissions without the major infrastructure investment that is required for other fuel sources.
- Bid preferences on state contracts for motor carriers that are partners in the Environmental Protection Agency's SmartWay program and have taken steps to reduce their greenhouse gas emissions voluntarily.
- Investment in transportation infrastructure improvements that promote free flowing mobility of goods. Traffic congestion results in wasted fuel and increased greenhouse gas emissions. In 2018 the American Transportation Research Institute updated its "Cost of Congestion to the Trucking Industry" report. On the National Highway System alone, traffic delays cost the industry almost 1.2 billion hours, or the equivalent of 425,533 commercial truck drivers sitting idle in traffic without moving for an entire year.
- A focus on the development of more fuel-efficient vehicles. After all, it is pollution, not traveling, that is the concern.

The TCI framework proposes to implement a "regional cap to reduce CO2 emissions, from on-road diesel and finished motor gasoline." A "cap and invest" program poses significant challenges for the trucking industry. Our industry is ***fuel neutral;*** however, we must have access to a readily available, affordable and reliable fuel supply. This means:

- There must be no negative operational impacts on our equipment.
- The fuel supply must be reasonable in cost and marketplace ready.
- There must be no disruption in availability of supply that prevent us from delivering the goods that people need.

While new fuel options that meet these criteria may become viable in the future, today the industry relies on ultra-low sulfur diesel. A cap and invest typically attempts to discourage people from driving by imposing increased costs on them for doing so. These programs only impact those who have a driving choice (e.g. passenger car drivers). Trucking is a non-discretionary user of the highways, delivering the food, clothing, medical supplies and other goods citizens need in support of the manufacturing, agricultural, and retail industries. In Maryland, 93% of communities are solely dependent on trucks to get their goods. What will happen if supply or price are impacted so greatly that trucks cannot deliver the medicine or food that people need?

MMTA is concerned that a regional cap and invest program cannot work in a small jurisdiction. Maryland is a small geographic state, with well over 50% of all trucks passing through from another jurisdiction. Given our state's small size, trucking companies do not have to purchase fuel in Maryland. A cap and invest program does not address emissions from the thousands of trucks from other states that travel through Maryland. It only places the economic burden on those local companies that purchase fuel in the state or those states within TCI.

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One only needs to look at California to see the impacts on fuel costs of a cap and invest program. According to the Energy Information Administration, the cost of diesel fuel during the week of January 13, 2020 in the state was $3.87 per gallon. The combined average of all other western states during the same week was $3.24 per gallon.

Over the last decade the trucking industry has made incredible strides in reducing all types of vehicle emissions. Under federal law, without any future actions taken by the TCI states, those reductions are slated to continue. For example:

- Over the last 10 years, emissions from heavy-duty diesel trucks and buses have been reduced by:
    - 99% for NOx - an ozone precursor
    - 98% for particulate emissions
- New commercial trucks being manufactured today reduce fuel consumption and GHGs by approximately 20% when compared to a truck manufactured just in 2010. This is a savings of four gallons of fuel for every 100 miles traveled.
- Going forward, three additional rounds of increasingly stringent federal engine and vehicle GHG emissions standards are slated for new commercial trucks sold nationwide between 2021 and 2027.
- By 2027, commercial trucks will further reduce fuel consumption and greenhouse gas emissions by an additional 25%. Improvements to the trailers pulled by these trucks will provide an additional 9% reduction.

Per the Maryland Department of the Environment's Greenhouse Gas Emissions Reduction Act Draft Plan of October 2019, emissions from on-road diesel use accounted for only 19% of total transportation emissions in the state in 2014. **<u>Given the tremendous strides that have been made, coupled with the cost of fleet replacement and the lack of viable fuel alternatives in the heavy duty trucking industry sector, Maryland Motor Truck Association believes that any cap and invest program should exclude on-road diesel fuel until viable alternative fuel options exist.</u>**

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