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

Dear Governor Hochul,

On behalf of a broad range of organizations, representing tens of thousands of businesses, we are writing to express our support for delaying the implementation and enforcement of the Advanced Clean Trucks (ACT) regulations, proposed by Sen. Cooney and Assm. Lupardo in their respective pieces of legislation before the New York State Legislature ( $\underline{S.5931}/A.6359$ ).

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

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.

As of January 1<sup>st</sup>, 2025, the ACT rule requires an increasing percentage of medium- and heavy-duty zeroemission vehicle (ZEV) sales for manufacturers to continue to sell internal combustion engine (ICE) vehicles without penalty. The required ZEV sales percentage for class 7-8 trucks is now 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, 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 two years. There would need to be a 600 percent increase in Class 8 ZEV sales to meet the ACT requirement.

For multiple reasons, dealers collectively will not be able to increase their ZEV sales by that significant of an increase. A primary reason is 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 when the rule was adopted.

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, which are now uncertain, 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.

The New York State Department of Environmental Conservation (NYSDEC) has already acknowledged the compliance difficulties 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, cleaner 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. Of course, none of this happens without trucks.

To be clear, we fully support the transition to zero-emission vehicles. The trucking industry has always been a willing partner, working 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 for consumers 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 support the legislation introduced by Sen. Cooney and Assm. Lupardo and delay the implementation of the ACT rule until at least 2027. This will allow time for the industry to establish a reasonable pathway toward the transition to ZEVs and protect our dealers, our motor carriers, the fragile economy of New York, and prevent higher costs for New Yorkers across the state.

## Sincerely,

Associated Builders and Contractors, Empire State Chapter Associated General Contractors of NYS Buffalo Niagara Partnership Association of Bi-State Motor Carriers **Business Council of Westchester** Capital Region Chamber CenterState CEO **Empire State Forest Products** Food Industry Alliance Greater Binghamton Chamber of Commerce Greater Rochester Chamber of Commerce 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 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
Retail Council of New York State
Rhode Island Trucking Association
RV Industry Association
Supply Chain Federation
The Business Council of New York
The Linen, Uniform and Facility Services
Association
Truck Renting and Leasing Association
Trucking Association of Massachusetts
Trucking Association of New York
Upstate United