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Sheri Call
Washington Trucking Associations
President & CEO



August 15, 2024

The Honorable Governor Jay Inslee
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002

Dear Governor Inslee,

Since 1922, the Washington Trucking Associations (WTA) has served as the unified voice for the trucking industry in Washington state, with over 1,000 member companies ranging in size from single truck operators to Fortune 500 companies, as well as the businesses that provide them with products and services. Our industry employs 1 in 17 Washingtonians, from independent operators to large trucking fleets. WTA is dedicated to advocating sound public policies, providing excellence in education, training, and information, as well as promoting a safe, dependable, efficient, and sustainable trucking industry in Washington.

WTA members believe a carbon-free future for the transportation sector is possible, as the commercial trucking industry continues to transition from fossil fuels to zero-emission propulsion technology. The industry has risen to the occasion with currently available technology and supported clean diesel engines (newer than model year 2010) in which emissions are reduced. In addition, adoption of Renewable Diesel (R99) is on the rise, reducing emissions by up to 75%, according to producer Neste.

I am writing to raise alarm regarding the potential impacts caused by California's Advanced Clean Trucks (ACT) program, which Washington state has also adopted. While ACT is meant to move industry toward zero emissions for medium and heavy-duty (M/HD) trucks, WTA members have concerns about vehicle costs, operational challenges, and low to non-existent vehicle adoption. We feel these issues will place constraints on the industry and reduce supply chain resiliency in Washington state – one of the most trade-dependent states in the nation. We don't have to look back too far to understand the impact of shortages of goods and medical supplies during the pandemic as a result of trucking industry labor and equipment shortages. Imagine the negative impact to affordability in our state and to any environmental gains if trucks are dispatched to Washington from further away.

This is a reality we are faced with under the ACT policy. Currently, due to the lack of infrastructure, vehicle cost, availability, and operational limitations members are left with only a couple options. They will either hold on to current assets longer, thus operating older, less clean trucks in Washington, or shrink their Washington footprint in favor of non CARB/ACT states. Washington does not have the regulatory infrastructure in place to discourage outside dispatch of trucks that do not comply with any reduced carbon or zero emission standard.

Adoption Schedule

ACT requires truck manufacturers to sell a certain percentage of zero emission M/HD trucks in Washington. The mandate on manufacturers begins next year and the following information

from the Department of Ecology (ECY) illustrates the zero-emissions-vehicle (ZEV) sales percentage requirements in Washington increase annually based on truck class until reaching a peak in 2035.

Model Year	Class 2b-3	Class 4-8	Class 7-8 Tractors
2025	7%	11%	7%
2026	10%	13%	10%
2027	15%	20%	15%
2028	20%	30%	20%
2029	25%	40%	25%
2030	30%	50%	30%
2031	35%	55%	35%
2032	40%	60%	40%
2033	45%	65%	40%
2034	50%	70%	40%
2035 and beyond	55%	75%	40%

In other words, beginning next year, 7% of all heavy-duty trucks sold in Washington state must be a ZEV. However, given that the buying cycle for trucks can be as long as two years, owners are placing orders for model year 2025 and beyond today. This means Washington trucking companies are already experiencing the consequences of ACT mandates right now, prompting WTA members to evaluate their options given cost and infrastructure constraints.

Truck manufacturers are also withholding truck deliveries until a dealer can demonstrate that a ZEV truck has been sold. This means dealers, whether they are in-state or out-of-state, who do not sell a ZEV truck in Washington will not receive legacy vehicle allocations, which means truck dealers cannot sell diesel trucks in Washington state.

Washington is Not California

Artificially manipulating the market to mandate ZEV truck sales will have a profound impact on the industry and lead to unintended consequences.

California officials wrote, adopted, and implemented the ACT program for the state of California. But Washington is not California.

California is the fifth largest economy in the world and state officials there have been building support for decarbonization for decades, including funding robust incentive programs for clean commercial trucks. Furthermore, under the ACT program, California is a year ahead of Washington with a more gradual on-ramp of 4% ZEV sales mandate on model year 2024 medium and heavy-duty trucks.

These facts alone place Washington at a disadvantage. A steeper compliance curve, fewer incentives, and competition against such a large economy means the market for both supply and demand of zero emission M/HD trucks will experience challenges.

Challenges and Concerns

There are also significant constraints on costs, payload, range, refueling, and infrastructure. A zero-emission truck costs about two and half times more and sacrifices about two and half tons of payload compared to a clean diesel truck today. Electric M/HD trucks also compromise range, while only providing about 150-200 miles per charge. Fueling infrastructure is also expensive and can take up to two years for permitting and installation. There is also the ongoing uncertainty of electric grid capacity as examples of officials asking vehicle owners to avoid charging cars during hot, summer days, continue to become more common place. Not as well-known is a 12% Federal Excise Tax on new, first-use trucks and trailers – a policy the industry has long

thought to inhibit adoption of newer, cleaner diesel trucks. WTA has been working with our federal counterpart for years to educate members of Congress and seek repeal of this burdensome tax.

Some dealers estimate that ZEV M/HD trucks simply will not work for 90% of existing routes.

These added costs and uncertainties mean that legacy M/HD truck sales will decrease considerably. A leading commercial truck dealer on the West Coast reports that among the major brands, new truck sales have already fallen between 75% and 95% to customers in the state of California compared to last year.

Washington is sure to face a similar outcome in 2025 once our compliance obligations begin, the economic consequences of which must be considered.

In the short term, Washington fleet and truck owners will likely keep older, less efficient trucks longer to avoid the higher costs and uncertainty from purchasing ZEV M/HD trucks. Delaying these purchases will also trickle down into the secondary truck market, affecting the drayage fleet the most. Others will go out of business or pick up operations and move into neighboring states that have not adopted California's ACT mandates.

However fleet and truck owners respond, these direct and indirect compliance costs will certainly shift to consumers across the entire supply chain. There is no such thing as a free lunch, and ACT will drive up costs on every consumer good or service that relies on M/HD commercial trucks.

What We Can Do Today

Facing these same impacts on the trucking industry, states that had once been poised to also adopt ACT regulations have abruptly changed course and in 2023, Connecticut, Maine, and North Carolina pulled out of adopting California's program.

The commercial trucking industry continues to transition from gas and diesel to clean zero-emission technology, but decarbonizing the fleet will require more than simply replacing internal combustion engines with EVs.

ACT's timeline is simply too aggressive and does not accommodate innovation or current technological limitations.

M/HD commercial trucks need longer range, lighter batteries, and regenerative and reliable charging capabilities along with alternatives such as hydrogen as a fuel source for the region. These capabilities are not in production at scale yet, but they offer hope that truck owners do not run into inhibiting interstate transportation, where prices, routes or services are negatively impacted.

WTA respectfully asks you and the Legislature to reconsider the link to California's emission standards and adopt the federal standards that are more suitable to Washington's unique needs. Washington employers should not have to face policies created by another state, with no input from stakeholders or analysis for its impact here.

Partnerships and Stakeholders

Earlier this year, WTA launched Zero Emission Trucking Washington (ZETWA.org) to help educate the public and other stakeholders about the industry's efforts to transition to clean trucking. Truck engines manufactured today emit 98% less nitrogen oxide (NOx) and particulate matter (PM) than those built 35 years ago, and 60 of today's trucks emit what just one truck emitted in 1988. Since 2006, the industry has eliminated virtually all sulfur oxide (SOx) emissions.

Two of Washington's largest commercial truck fleets, FedEx and UPS have established their own goals and are on a path to reach carbon neutrality by 2040 and 2050 respectively. Further, many interstate carriers operating in Washington have taken the initiative to partner with EPA to catalogue, eliminate or offset carbon emissions across their operations through [EPA's Smartway Certification](#) program.

As a necessary next step, WTA members are evaluating how current zero emission technology fits into their fleet operations and checking in with their utility providers on availability of adequate power resources, along with timelines to install. Carriers are learning there is a disconnect in alignment of all necessary factors for motor carriers to succeed.

WTA is committed to working with stakeholders to find a balanced approach that leads to decarbonization but also protects the backbone of our supply chain and trade-dependent economy.

All options must be on the table in the transition to carbon free energy. We urge your thoughtful consideration for the long term success of decarbonizing the transportation sector.

Respectfully,



Sheri Call

President & CEO

Washington Trucking Associations

CC:

Senator Joe Nguyen, Chair, Senate Environment, Energy & Technology Committee

Senator Drew MacEwan, Ranking Member, Senate Environment, Energy & Technology Committee

Senator Marko Llias, Chair, Senate Transportation Committee

Senator Curtis King, Ranking Member, Senate Transportation Committee

Representative Beth Doglio, Chair, House Environment & Energy Committee

Representative Mary Dye, Ranking Member, House Environment & Energy Committee

Representative Jake Fey, Chair, House Transportation Committee

Representative Andrew Barkis, Ranking Member, House Transportation Committee