

## California Air Regulators to Amend Heavy-Duty Electric Truck Regulations Declining truck inventories concern a bi-partisan group of state legislators

**October 23, 2024 (Sacramento):** On Thursday, October 24, the California Air Resources Board (CARB) will <u>consider amendments</u> to the <u>Advanced Clean Trucks (ACT)</u> regulation, a centerpiece of Governor Gavin Newsom's climate change plan.

In 2023, the California Air Resources Board (CARB) approved what the Newsom Administration characterized as a <u>"nation-leading regulation</u>" to phase out the sales of medium—and heavy-duty combustion engines, which took effect in January 2024. The regulation began a national movement to transition America's trucking industry to Zero-Emission Vehicles (ZEVs) by 2035.

Since the <u>heavy-duty electric truck regulations</u> were enacted this year, the importation of medium—to heavy truck combustion engine chassis to California has <u>declined dramatically</u>. The ACT and Heavy-Duty Omnibus (Omnibus) regulations cut off the supply of combustion engine trucks before truck manufacturers produced electric alternatives that meet a tow truck's range, performance, and safety standards.

This impact on towing and recovery truck manufacturing led a bi-partisan group of California <u>State Legislators to write</u>, "...we encourage the CARB Board to amend the ACT and Omnibus regulations to ensure that the rules do not limit the availability of chassis thereby ensuring that new tow and recovery vehicles can continue to be assembled and sold in California. The changes should protect our small businesses and their employees in addition to ensuring roadway safety, associated emissions reductions, financial savings to motorists and support continued funding for our most vulnerable communities."

In a <u>September 25, 2024 memo</u>, CARB staff acknowledged that the regulations are affecting the importation of combustion engine chassis, and action is required at the October 24 CARB meeting. The credit trading market CARB developed does not incentivize truck manufacturers to trade credits. If the market were functioning, manufacturers could meet current demands for combustion engines as an electric option was developed for mass production. This news comes as <u>seven other states</u> are poised to follow California's lead by imposing similar electric truck mandates. The <u>State of Oregon</u>, facing similar inventory challenges, may temporarily suspend its regulations.

In anticipation of <u>Thursday's CARB hearing</u>, <u>a petition</u> submitted by a coalition of California towing and recovery truck business owners writes, "CARB should provide the towing industry with a temporary exemption until the regulations function as intended and truck chassis are readily available. It is too risky to assume the proposed amendments will provide

immediate relief and security for my employees. This pragmatic approach will help the Governor and State Legislature achieve their climate change goals without threatening jobs or putting motorists at risk. Doing it right will send a strong message to other states following California's lead." These business owners are expected to offer public comments at Thursday's CARB meeting.

The lack of inventory is more acute for approximately 4,700 towing and recovery truck companies in California. When tow and recovery trucks constitute less than 1% of California's commercial truck sales, truck manufacturers do not prioritize producing such highly specialized trucks. CARB recognized this risk by recognizing only government-owned towing and recovery vehicles as emergency vehicles, exempting them from the regulations.

Public safety agencies widely recognize California towing and recovery drivers as part of the roadway safety network that supports motorists and first responders. They prioritize motorists' safety by providing reliable roadside assistance 24/7, supporting first responders, and clearing over 1,200 road accidents and 2,400 mechanical breakdowns daily. Their public importance was underscored during the COVID-19 pandemic when Governor Newsom deemed towing and recovery truck workers part of California's "Essential Critical Infrastructure Workforce."

Keep California Motorists Safe is a coalition of small businesses, truck drivers, and motorists. To view an explainer video and to learn more, visit <u>www.casaferoads.com</u>.

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