

Re: SB 10 AN ACT CONCERNING CERTAIN RECOMMENDATIONS REGARDING CLIMATE CHANGE

MTAC Opposes

Chairman Needleman, Chairman Arconti, Ranking Member Formica, Ranking Member Ferraro, and members of the Energy and Technology Committee, thank you for the opportunity to present this testimony. My name is Joe Sculley, I am President of the Motor Transport Association of Connecticut (MTAC). MTAC is a statewide trade association which represents small business trucking companies in Connecticut. MTAC is opposed to this bill, because it will put Connecticut-based trucking companies at a competitive disadvantage compared to their competitors in surrounding states.

NO CONSIDERATION OF IMPACT TO BUSINESS

Section 1 holds that “the Commissioner of Energy and Environmental Protection shall assess the energy, environmental and air quality impacts of adopting California’s medium and heavy-duty vehicle emission standards.” Why does the bill not also require an assessment on impacts to businesses and the state economy?

This bill adopts by reference Title 13 of the California Code of Regulations, which covers a lot of mandates. Some of those mandates include: the Truck and Bus Rule, Heavy Duty Vehicle Greenhouse Gas rule (aka SmartWay mandate), Drayage Truck Rule, Heavy Duty On-Board Diagnostics requirements, Low NOx standards, and pending zero emissions vehicle sales requirements for heavy duty trucks. How much will it cost the taxpayers of the state to fund these new government programs to implement and ensure compliance?

NEW FEDERAL STANDARDS ARE COMING

New low NOx standards are already being proposed by U.S. EPA. They are likely to take effect for model year 2027. (This date would align with U.S. EPA’s “Phase 2” rule implementation milestones, which regulate greenhouse gas emissions and fuel efficiency standards for medium and heavy duty vehicles, with progressive standards becoming effective with model years 2021, 2024, and 2027.) More information on US EPA’s Cleaner Trucks Initiative (CTI), which will set the new low NOx standards, is available here: <https://www.epa.gov/regulations-emissions-vehicles-and-engines/cleaner-trucks-initiative>

CARB is likely to attempt to implement new low NOx standards that would be effective for model year 2024. However, in order for CARB to be able to implement standards that are more stringent than what EPA requires, they would need to be granted a waiver by U.S. EPA. They are unlikely to be granted such a waiver by the current administration. IF California were to be granted a



waiver, only then could other states with non-attainment areas opt in to the California standards. A state cannot adopt the California standards if they do not have non-attainment areas.

NO STATE HAS EVER DONE THIS

It should be noted that no state has ever done what Connecticut is attempting to do. If this bill passes, Connecticut would be the first state (and only state, as of what we know now) to adopt the newly proposed California emissions standards for medium and heavy-duty vehicles. Are we the Constitution State, or are we the Golden State? Why do Connecticut legislative leaders want to take policy-making out of our hands, and give that power to a state thousands of miles away? Once this power is given away, all future regulations under Title 13 of California Code of Regulations will apply to Connecticut, whether Connecticut wants them or not.

If this were to be implemented, it would only apply to trucks sold in Connecticut (or California). Businesses could simply go to a nearby state and buy a truck manufactured to the US EPA standard. Since new equipment mandates result in more expensive equipment, and since New England states are geographically small, this is a very real possibility. Additionally, this would have no impact on out-of-state trucks passing through Connecticut. Those trucks would be in compliance with U.S. EPA standards, but not a more stringent standard that only California and Connecticut would be following. Accordingly, the only real impact of this proposal would be to put Connecticut-based trucking companies at a competitive disadvantage by coercing them to buy trucks that are more expensive than those that will be purchased by their competitors in surrounding states.

TRUCKING INDUSTRY'S ENVIRONMENTAL PROGRESS

With all this said, let's be clear that the trucking industry is doing its part – and then some – to reduce emissions and improve air quality. Below is a summary of recent federal rules regarding emissions reductions and fuel efficiency improvements.

Year: 2002

Mandate/Technology: Exhaust Gas Recirculation (EGR)

Environmental Benefit: 50% NO_x emissions reduction

Cost to Industry: \$250 million annually

Year: 2006 – 2010

Mandate/Technology: Ultra Low Sulfur Diesel (ULSD)

Environmental Benefit: 97% reduction of sulfur in diesel

Cost to Industry: \$4 billion annually (in combination with PM/NO_x limits)

Year: 2007 – 2010

Mandate/Technology: US EPA PM and NO_x limits; Diesel Particulate Filters (DPFs)

Environmental Benefit: 90% reduction of Particulate Matter (PM) “soot”

90% reduction of NO_x

Cost to Industry: \$4 billion annually (in combination with ULSD)

Year: 2014

Mandate/Technology: US EPA/NHTSA “Phase 1” Greenhouse Gas Emissions Standards and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles

Environmental Benefit: 23% reduction of CO₂ emissions

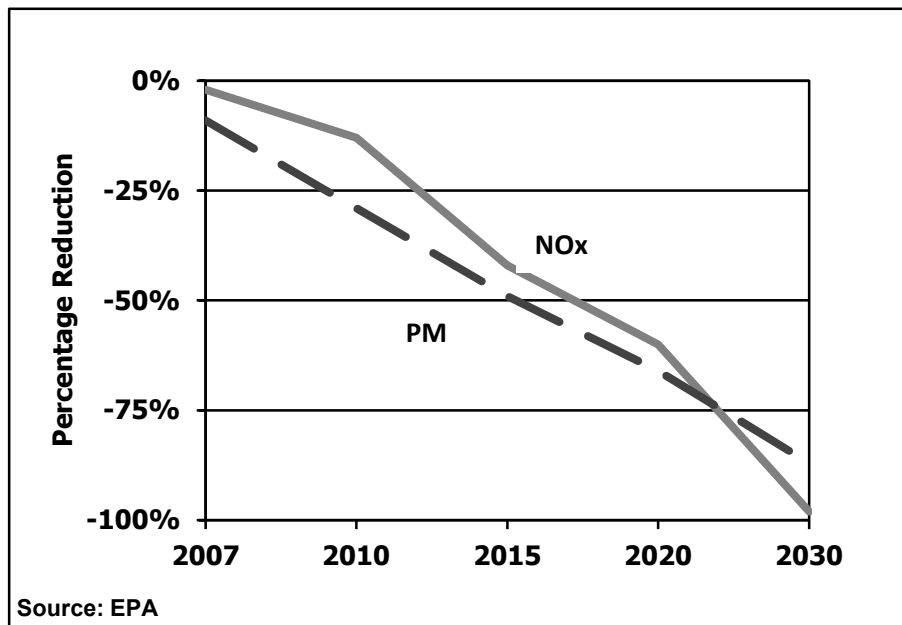
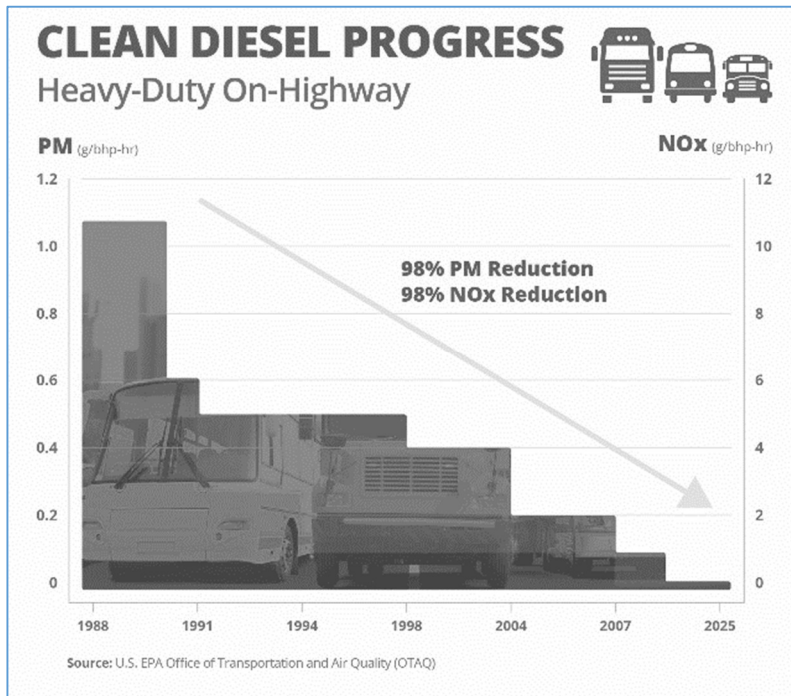
Cost to Industry: \$8 billion

Year: 2021, 2024, 2027

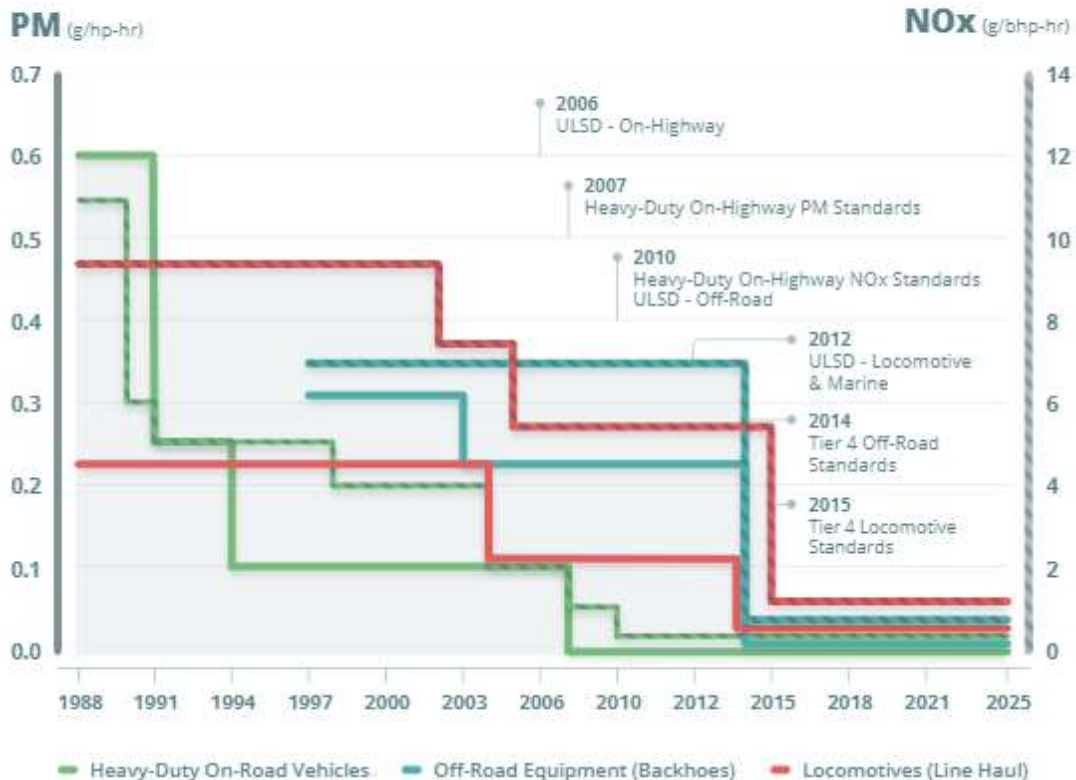
Mandate/Technology: US EPA/NHTSA “Phase 2” Greenhouse Gas Emissions Standards and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles

Environmental Benefit: additional 34 percent reduction of CO₂ emissions

Cost to Industry: \$20 - \$30 billion



PROGRESS TO NEAR-ZERO PM & NOx EMISSIONS



Source: Diesel Technology Forum

The continued phase-in of newer, cleaner trucks will only continue to reduce emissions and improve air quality. For example, according to the Diesel Technology Forum, “Between 2011 and 2018, the use of the newest, cleanest diesel Class 3-8 trucks has saved 12.5 million tonnes of carbon dioxide (CO₂) and eliminated 2 million tonnes of nitrogen oxides (NO_x) in northeast states.” This is the result of 40% of all commercial trucks in EPA Regions 1 and 2 (New Jersey through Maine) being powered by the newest-generation diesel engines.

MTAC MEMBERS TAKING ACTION

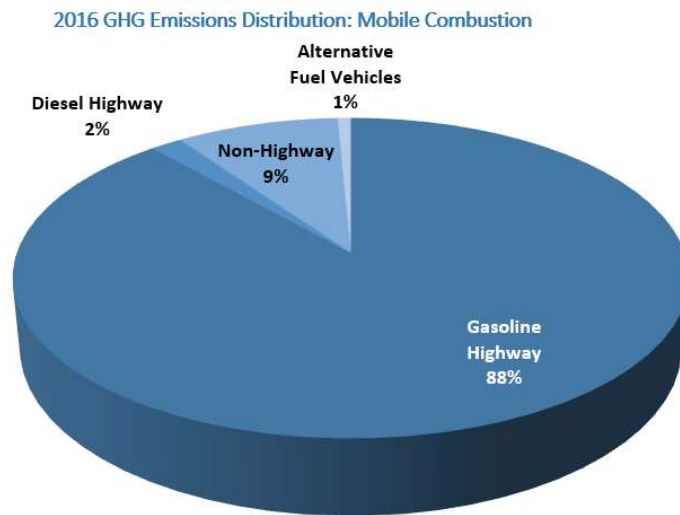
MTAC has also been working with CT DEEP to take steps to accelerate the phase-in of the newest, cleanest trucks on the market. In the last couple of years, CT DEEP has announced two rounds of emissions reductions grants funded by the Volkswagen emissions cheating scandal. Between these two rounds, 25 projects were selected, which will achieve 219.4 tons of lifetime NO_x emissions reductions, and 13,081 tons of lifetime CO₂ emissions reductions. Of these 25 projects, 10 are for Motor Transport Association of Connecticut (MTAC) members.

TRUCKS VS PASSENGER CARS

Data from the American Transportation Research Institute (ATRI) shows that trucks account for just 17% of the total highway transportation fuel consumed in the country. Trucks consume 100 billion fewer gallons of fuel than passenger vehicles annually.

EPA also has a 2014 National Emissions Inventory that indicates for CT light-duty vehicles contribute 9 times more CO₂ emissions than heavy-duty trucks, 3 times more NO_x and 2 times more PM. <https://www.epa.gov/air-emissions-inventories/2014-national-emissions-inventory-nei-data> (Go to “Data Queries” – “State” – “Connecticut” – “Pollutant = NO_x, PM_{2.5}, CO₂” – “Sectors = On-Road HD/LD Vehicles”):

CT DEEP also has a lot of information in this publication which aligns with this data from EPA <https://portal.ct.gov/-/media/DEEP/climatechange/publications/CT2016GHGInventorypdf.pdf?la=en>



Source: CT DEEP

Considering these statistics, in combination with the recent mandates outlined above, policymakers should realize that focusing on truck sales in one geographically small state is the wrong approach. MTAC members do care about emissions reduction and air quality improvements, and they have been acting for decades to achieve those goals. Connecticut should not penalize these businesses by putting them at a competitive disadvantage. New federal standards are being crafted, and Connecticut will benefit from those when they are implemented. Connecticut can use voluntary programs like grants from the VW cheating scandal to accelerate the phase-in of these new trucks.

US EMISSIONS DECLINE IN 2019

Let's also recognize positive news regarding emissions reductions. From the Washington Post on January 7, 2020:

“U.S. greenhouse gas emissions fell 2.1 percent last year almost entirely because of a sharp drop in coal consumption, according to the Rhodium Group, a private data research firm.

Coal-fired electric power generation, which had rebounded slightly in 2018, fell by a record 18 percent to the lowest level since 1975, the Rhodium study said. Coal burning produces carbon dioxide, which fuels climate change.

But much of that reduction was offset by rising emissions from the use of inexpensive natural gas. And transportation emissions remained relatively flat while emissions from buildings, industry and other parts of the economy grew.”

https://www.washingtonpost.com/climate-environment/us-greenhouse-gas-emissions-fell-slightly-in-2019/2020/01/06/568f0a82-309e-11ea-a053-dc6d944ba776_story.html

This legislation may be well-intended, but it is misguided and will put Connecticut-based businesses at a competitive disadvantage. MTAC respectfully recommends that this legislation be rejected.

###

ABOUT CT TRUCKING INDUSTRY:

85.8%: number of Connecticut communities that depend exclusively on trucks to move their goods

94%: percent of manufactured tonnage transported by truck in Connecticut

\$3.2 billion: total trucking industry wages paid in Connecticut (2017)

58,400: trucking industry jobs in Connecticut (2017)

\$53,3500: average annual salary in Connecticut (2017)

\$8,610: average annual CT-imposed highway user fees paid by tractor trailers (as of 4/1/2018)

\$8,906: average annual fed-imposed highway user fees paid by tractor trailers (as of 4/1/2018)