Mid-West Truckers Association, Inc. - Illinois Pollution Control Board Response to Pre

Filed Questions – Proponents

Matt Wells, Vice President

Pre-Filed Questions to Midwest Trucking Association Witness Matt Wells

1. Please refer to the first page of your testimony (which does not list page numbers). Does the paragraph at the bottom of the first page of your pre-filed testimony identify all relevant work, educational, and other experience on which you base your testimony? If not, please provide a CV or identify any additional relevant experience or training.

2. Please provide, in native format with all formulas intact, all workpapers, calculations, sources, and analyses that support all numerical values and/or quantitative claims included in your testimony. If no such materials exist, please state as much in response to this question.

3. You state on the first page of your testimony that the Mid-West Truckers Association (MTA) is active in "Illinois and 16 surrounding states," that you "have been a registered Illinois Lobbyist for MTA since 2011," and that you "advocate[] for the industry in legislative and regulatory matters." Please provide any and all testimony, comments and/or position statements that you and/or MTA has submitted regarding the Advanced Clean Cars II, Advanced Clean Trucks, or Low NOx rules in Illinois and other states.

4. On the second page of your testimony, you write that the trucking industry is "happy to do its part" to address climate change. Please specify what you mean by "its part." Please specify what steps MTA has taken to promote the trucking industry doing "its part."

Its Part means assisting member companies in complying with Federal and State regulations while engaging member interest with policy and regulatory bodies.

5. Refer to the second page of your testimony. You write, "MTA considers the magnitude of negative implications of enacting ACC II (Advance Clean Cars II) [sic], Low NOx, and ACT (Advance Clean Truck) [sic] rules in Illinois greatly outweighs the benefits of following the Federal EPA standards applied universal [sic] across all the United States."

a. The ERM analysis prepared for the Rule Proponents compared the costs and benefits of the Proposed Rules against a baseline that included EPA's most recent federal emissions standards. Did you evaluate or consider ERM's benefit calculations in your testimony?

NO

b. Please state with specificity what is meant by the phrase "magnitude of negative implications"?

c. Have you, or has MTA, quantified the so-called "negative implications" of the Proposed Rules? If yes, please provide, in native format, a copy of such analysis and all supporting workpapers, calculations, and sources.

NO

d. Do you acknowledge that, including California, 13 states have adopted the ACC II rule, 11 states have adopted ACT, and 10 states have adopted Low NOx?

Those states have adopted some variations of the ACT and Low NOx Carb Standards. My testimony did not speak the ACC II.

e. Has MTA advocated that US EPA take steps to reduce vehicle emissions standards, or limit increases in fuel efficiency standards at the federal level? If so, please provide all document, comments, or other evidence of advocacy submitted to US EPA to that effect.

MTA has worked with member companies to comply with the US EPA regulations that affect their businesses.

f. The ERM analysis quantified the environmental, public health, and economic benefits of the Proposed Rules. Do you dispute ERM's analysis and its conclusions? If so, please state with particularity which aspects of that quantification you disagree with.

6. Do you agree that there are public health benefits to reducing air pollution?

Yes, there are public health benefits to reducing air pollution when referring to the UA EPA NAAQS tables.

https://www.epa.gov/criteria-air-pollutants/naaqs-table

a. If so, did you take those benefits into account in your analysis?

Yes, that is why we believe a national policy on air pollution control is better suited to regulate the commercial trucking industry instead of a piecemeal state by state approach that this rulemaking creates.

b. Does MTA think policymakers should consider improvements to public health in considering the Proposed Rules?

What policymakers are you referring to?

7. Do out-of-state carriers operating in Illinois purchase fuel in Illinois?

Yes.

8. On the third page of your testimony, you note that, according to data reported to the International Fuel Tax Association (IFTA), "68% of the miles traveled in Illinois" came from out-of-state carriers

over the last few years. You also note that some commercial vehicles do not report mileage to the IFTA.

a. Which types of vehicles are excluded from the IFTA data, and how many miles may therefore be left out of those numbers?

Vehicles not included in the IFTA data that I provided in my testimony include any commercial vehicles operating interstate under 26,000lbs and any commercial vehicles that are operated in intrastate commerce only. There is no hard factual mileage data collected on those vehicles, so any numbers provided would only be an educated estimate, thus I did not include them in my testimony.

9. What analysis have you conducted to predict how implementation of the Proposed Rules will impact the share of in-state and out-of-state carriers operating in Illinois? Please provide all data used in your analysis.

See my answer to question 13

10. You attached an email from Kathleen Blessing to your testimony. That email appears to continue a conversation or respond to a question you asked of Ms. Blessing. Please provide other correspondence with Ms. Blessing or their office. Please explain why Ms. Blessing wrote that email to you.

Because I called her and requested the information. There was no other correspondence with Ms. Blessing that is relevant to my testimony.

11. On the third page of your testimony, you write that "the number of miles driven in Illinois by Illinois based commercial vehicles is significantly less than carriers not based in Illinois." Even if that is true, would you agree that the Proposed Rules would still generate a drop in emissions by reducing the emissions from IL traffic?

I don't believe if the Illinois Pollution Control Board adopted the proposed regulations that Illinois realize a discernable drop in emissions.

12. Are you aware that the calculations in the Statement of Reasons and relied on in the Proposed Rule only examined "on-road vehicles registered in Illinois," but still found that the ACT rule would reduce annual greenhouse gas emissions by 1.6 million metric tons of CO2e by 2050, provide \$6.5 billion in monetized benefits, and prevent nearly 21,700 respiratory illnesses and lost workdays?

13. Please provide the study or other support for your statement, on the third page of your testimony, that "Economically, adoption of Low NOx and ACT in Illinois will create a significant increase on the number of out-of-state carriers that will be operating in Illinois."

As the implementation of the proposed rules are carried out, Illinois companies will be faced with higher truck prices due to the limiting percentage of new ICE engine trucks in the ACT rule available for sale. It will be cheaper for a company in Illinois to hire or lease a truck registered in a neighboring state that is not limiting the number of ICE vehicles available for sale. As a result that lower pricing the state of Illinois will see an decrease in the sale of commercial trucks and an increase of out of state registered vehicle conducing work that was once completed by Illinois registered trucks.

14. Please provide the basis for your claim on page 3 that "Illinois commercial truck operators will be at a competitive disadvantage to out of state carriers not subject to the regulations."

See answer to question 13.

15. Has the MTA produced any research into the economic effects of the Proposal on competition between IL and out-of-state carriers? Or does this portion of your testimony lack a basis in data?

16. On the third page of your testimony, you write that the increased sale of ZEV commercial vehicles in IL will leave Illinois operators at a competitive disadvantage. But the ACT rule is focused on new sales and does not require truck companies to turn over their fleets all at once. Why would the competitive disadvantage occur immediately, as your testimony suggests?

Your assumption of my testimony discerned that the competitive disadvantage would happen immediately. I provided no such suggestion.

17. Please refer to the fourth page of your testimony. You state, "Unlike California, Illinois cannot close its borders to non-compliant vehicles to keep them from entering the state. Unknown to the common individual is that California Air Resources Board (CARB) has commercial truck regulations that prohibit out of state non-compliant vehicles from entering California. This allows California to significantly improve the impacts of regulations like the Low NOx and ACT. Geographically Illinois is not going to be able to prohibit the flow of non-Illinois based carriers from traveling across or into Illinois." You cite to an article about California's Clean Truck Check program, which requires in-use trucks to engage in emissions testing.

a. Do you acknowledge that California's Clean Truck Check program is separate and distinct from the Advanced Clean Truck and Low NOx rules proposed by the Rule Proponents? For any answer other than an unqualified confirmation, please provide a full explanation.

Yes, I agree that the Clean Truck Check is a separate regulation. That article was included in my testimony to expand on my statement that California has not developed their CARB regulations as individual regulations, but a series of steps to build the sustainability of their goal to improve air quality in their state. Their rules and regulations were built around the unique and complicated geographical barriers that are drastically different from the state of Illinois. They have been investing billions of dollars over 50 years to create their unique air regulations relative to their state. If Illinois wants to build an emissions regulation through the legislative process that is specifically designed to address Illinois emission issues, that is the prerogative of the Illinois Legislature.

California has closed their borders to any commercial trucks operating emissions systems that are older than 2010, and have done so since the 2008 adoption of 'The Truck and Bus Regulation'. Illinois does not have the money or infrastructure created to enforce a rule like The Truck and Bus Regulation which would prohibit noncompliant out of state trucks from entering Illinois. California is also not a pass-through state like Illinois as I stated in my testimony. If Illinois cannot fully implement all the rules created by CARB for commercial truck enforcement, economic realities of out of state companies who not required to follow the proposed rules will be able to provide transportation services at al lower cost than Illinois companies.

b. Do you acknowledge that California's Clean Truck Check is an in-use emissions testing program for nearly all diesel vehicles over 14,000 pounds operating in California, whereas the Advanced Clean Truck and Low NOx rules apply only to new on-road vehicles and vehicle engines sold in California (or, as proposed here, to new vehicles and vehicle engines sold in Illinois)? For any answer other than an unqualified confirmation, please provide a full explanation.

Yes

c. Do you acknowledge that California's Clean Truck Check program applies emissions standards that are distinct from the emissions standards contained in the Advanced Clean Truck and Low NOx rules? For any answer other than an unqualified confirmation, please provide a full explanation.

They are distinct but required for the successful implementation of CARB rules in California.

d. Please cite to the specific California law or regulation that permits the state to "close its borders" to out-of-state trucks that do not comply with the Advanced Clean Truck or Low NOx rules. If no such regulation exists, please state as much in your response.

https://ww2.arb.ca.gov/our-work/programs/truck-and-busregulation#:~:text=Categories&text=The%20Truck%20and%20Bus%20regulation,emission%20syst em%20with%20few%20exceptions

e. Do you acknowledge that California permits the operation of trucks registered in other states on its roadways? For any answer other than an unqualified confirmation, please provide a full explanation.

Yes but they must comply with other CARB regulations not included in this proposal including my answer to (D) of this question.

f. Do you acknowledge that the other states that have adopted Advanced Clean Trucks (10 states) and Low NOx (9 states) permit the operation of trucks registered in other states on their roadways? For any answer other than an unqualified confirmation, please provide a full explanation.

YES

18. On the fourth page of your testimony, you write that "This allows California to significantly improve the impacts of regulations like the Low NOx and ACT."

a. This statement acknowledges that the Low NOx and ACT Proposed Rules do have health benefits, correct?

No, this statement implies that California can more effectively implement their own ACT and Low NOx regulations within the state for which they were created.

19. Please provide the basis for your claim on the fourth page of your testimony that "[e]conomically and logistically the Illinois EPA does not have the funding or manpower to implement such operations to achieve the stated impacts that proponents of the rule are acknowledging."

a.Does this statement refer to adoption of ACT and the Low NOX rule proposed here or to the emissions testing protocol referenced in the article cited in your testimony?

The statement refers to the adoption of ACT and Low NOx rules being proposed for Illinois.

b. How much funding and manpower have been implemented to achieve compliance in California?

Compliance with what regulation are you referring?

20. What is the basis for your claim on the fourth page of your testimony that "the cash flow impact of having to invest all the TCO for ZEV upfront is not feasible for most companies"?

Many companies represented by Mid-West Truckers Association, Inc. are smaller companies with fleet sizes under 25 units. These companies operate in highly competitive markets that compete with carriers that do not have to comply with these regulations. Many MTA member companies operate in vocational work that ZEV modes are not available for. Other MTA members are working with limited government financing and do not have the cash flow available to invest in ZEV infrastructure or equipment. Their only option if the proposed rules are enacted is to continue to operate obsolete equipment well beyond useful life.

a. Are there specific incentives or policies that could help mitigate cash flow challenges?

Not implementing the proposed rules of ACT or Low NOx in Illinois. Allow the US EPA develop a nationwide regulatory framework that levels the economic impact of regulations across the entire United States.

b. Do you dispute that costs on ZEVs continue to decrease and that electric freight trucks and buses are expected to be less expensive than combustion engine counterparts by 2027?

These are assumptions that are not proven. But if look at current market trends for the price of electric class 8 trucks vs diesel trucks, that statement is inaccurate.

c. Do you dispute the findings of the Roush Industrial study, cited in the Statement of Reasons, that many electric medium- and heavy-duty vehicles will have a lower total cost of ownership than diesel counterparts by 2027?

These are assumptions that are not proven. But if look at current market trends, the study is already inaccurate on its assumptions. See answer to question 22, B.

d. Do you dispute the findings of the ICCT study, cited in the Statement of Reasons, that, with the benefit of IRA incentives, the total cost of ownership of electric long-haul trucks will likely be lower than that of their diesel counterparts by the end of the decade?

These are assumptions that are not proven.

e. Do you dispute that adoption of the ACT rule will create economies of scale, driving down costs?

These are assumptions that are not proven.

f. What has the MTA done to help trucking companies afford ZEVs?

MTA works to provide regulatory guidance and services to companies that employee Illinois families who want to live here.

21. What is the basis for the claim on pages 4 to 5 of your testimony that under the Proposed Rules local governments "will be forced to outsource transportation and fleet services to out of state companies"?

Economics. See my answer to 22 B.

a. How can the inherently local services provided by schools, municipalities, and local governments, such as school bus services to and from local schools, be outsourced to out of state companies?

The school will hire an out of state school bus service that is not affected by ACT or Low NOx regulations in Illinois. Many schools already have a third party transportation provider to save the limited amount of money they currently have.

b. Do the health impacts caused by emissions lead children to miss school days?

This question is not relevant to my testimony.

c. Do municipalities and local governments have to pay health costs caused by emissions?

No municipality I have interacted with has a specific line item for health costs related to emissions.

22. On the fourth page of your testimony, you claim that "if these rules are enacted, Illinois companies that currently operate commercial vehicles will outsource transportation services from non-Illinois companies."

a. Please provide the basis for this claim, including any studies or data that quantify expected outsourcing.

Economics. See my answer to 22 B.

b. How significant of an expense is the delta between a ZEV and diesel purchase?

According to CARB's own research, in 2024 the delta is \$279,937. 2024 Class 8 ZEV is \$435,839 and a 2024 Class 8 Diesel is \$155,902.

https://ww2.arb.ca.gov/sites/default/files/2024-12/Zero%20Emission%20Class%208%20Tractor%20Pricing%20Comparisons_ADA.pdf

c. Does your analysis factor in lower maintenance and fuel costs and potential first mover benefits of early ZEV adoption?

These are assumptions that are not proven in every commercial trucking vocation.

d. Does this claim account for the potential businesses and jobs created by a stronger commitment to electric vehicles? The ERM analysis found that the ACT rule would create high-paying jobs, increase GDP, and result in more than \$3.8 billion in cumulative net savings through 2050. Please provide estimates of potential job loss or revenue decline for Illinois-based transportation carriers if the Proposed Rules are promulgated. Please explain all such estimates and provide all data or analysis used to generate them.

MTA is not interested in playing the guessing game on what will or will not happen. What I can tell you is the industry will move to locations that will maintain profitability and success. Since none of the proposed rules will prohibit non-compliant out-of-state trucks from entering Illinois there is a market differential for relocating out of state.

24. Please provide all data on which you base your contention on page 5 of your testimony that the electronic truck market "is not going to be able to support such a sweeping and aggressive regulation."

https://www.truckinginfo.com/10236128/nikola-files-for-bankruptcy

https://www.nbcchicago.com/news/local/lion-electric-announces-hundreds-of-layoffs-suspendswork-at-suburban-facility/3614700/

https://apnews.com/article/rivian-ev-georgia-plant-paused-97d89bd751961aad4a75b42ce7c051d7

https://artofprocurement.com/blog/supply-troubling-times-for-electric-trucking

25. Please provide the basis for your claim on page 5 of your testimony that "[t]he market is struggling to provide trucks for the state of California currently, let alone the four other states set to implement ACT in 2026."

See response to question 24.

26. Do you dispute that the ACT rule will "lead to lower production costs by increasing sales and production volumes, which would further justify increased investment in infrastructure and incentivize the production of battery electric trucks in other classes"?

These are assumptions that are not proven.

27. On page 6 of your testimony, you state that "Illinois is not California, nor should we assume that regulations created by a state geographically and environmentally different from Illinois should dictate the purchase of ZEV's for Illinoisans."

a. What is your response to the specific benefits that Illinois residents will enjoy under the Proposed Rules, such as how the ACT rule will result in more than \$3.8 billion in cumulative net savings through 2050, with annual net societal benefits reaching \$466 million in 2050?

These are assumptions that are not proven.

28. On page 5 of your testimony, you state, "As of January 16th, California withdrew its waiver request for Advance Clean Fleet (ACF) regulations from United State EPA. While citing a confrontation with the incoming Trump Administration, the realities are the electric commercial truck supply market is not going to be able to support such a sweeping and aggressive regulation of ACF."

a. Please provide a source for this claim.

https://www.epa.gov/system/files/documents/2025-01/ca-acf-carb-withdrawal-ltr-2025-1-13.pdf

b. Under the Trump Administration, do you believe federal emissions requirements will be rolled back or see lesser enforcement?

My opinion on what the Presidential Administration is going to with federal emissions has nothing to do with Mid-West Truckers Association, Inc. position of the proposed ACT, ACC II, and Low NOx.

c. Do you acknowledge that the waiver request withdrawn by California was for the Advanced Clean Fleet regulations, and not for any of the ACT, ACC II, or Low NOx rules that comprise the Proposed Rules in this proceeding?

Yes

29. On page 6 of your testimony, you state that President Trump's recent Executive Orders have led to "uncertainty."

a. Please specify which parts of which Executive Orders to which you are referring. 30. On page 6 of your testimony, you state that President Trump's executive order "challenges the reality of providing Illinois with proposed environmental relief claimed by proponents." Please explain why any of

President Trump's executive orders would reduce the benefits of adopting the Proposed Rules in Illinois.

I refer to the Executive order in my testimony, please refer to my original testimony. Currently the ACC II, ACT, and Low NOx waivers are being review by the Federal EPA.

https://www.act-news.com/news/epa-head-sends-california-waivers-to-congress-for-review/

31. On page 6 of your testimony, you write that Illinois truck operators "have always approached the table to negotiate our part of improving Illinois environmental air quality." Please explain how the truck industry proposes to meet Governor Pritzker's commitment to achieving net zero statewide greenhouse gas emissions from on-road transportation by 2050.

Doing our part does not mean we are making proposals to meet someone else's goals. We are will to provide real industry feedback to developing ideas to meet the Governor's commitment.

32. Has the MTA done any studies to assess levels of respiratory health issues among its membership?

MTA's mission is to work closely with all state and federal agencies involved in the trucking industry and are considered a leader in representing the trucking industry throughout the Midwest. We serve on many state, regional, and national advisory boards to make sure the voices of our members are heard. Our members have not requested we study the respiratory health issues among our members.