



May 21, 2021

David S. Kim
Secretary
The California State Transportation Agency
915 Capitol Mall, Suite 350B
Sacramento, CA 95814

Re: The California State Transportation Agency's draft Climate Action Plan for Transportation Infrastructure

Volvo Group North America recognizes the persistent and challenging air quality issues faced by the state of California and respectfully submits its comments on **the California State Transportation Agency's draft Climate Action Plan for Transportation Infrastructure ("CAPTI")**, dated March, 2021.

About Volvo Group

The Volvo Group is one of the world's leading manufacturers of trucks, buses, construction equipment and marine and industrial engines. Along with environmental care and quality, safety is a core value of the Group, and we have a track record of developing and providing safety features to our customers in advance of regulations. The Volvo Group develops, manufactures, and sells heavy-duty trucks, buses, construction equipment, and motor coaches and their powertrains in the U.S. under the brand names of Volvo Trucks, Mack Trucks, Volvo Construction Equipment, Nova Bus, Volvo Bus, and Prevost. The Group also provides complete solutions for financing and service. The company, which employs more than 97,000 people worldwide, has production facilities in 19 countries and sells products in more than 190 markets.

In the United States, it employs more than 13,000 people and has 11 manufacturing plants in seven states. In California, the Volvo Group and its dealers employ over 1,000 people with locations in Mountain View, Costa Mesa, Corona, Haywood, Fontana, Stockton, Fresno and La Mirada. The Volvo Group is the only major truck manufacturer that produces all its vehicles for the North American market in the U.S.



In 2020, the Volvo Group made a commitment to having 100% of its product sales being fossil free by 2040, including a nearer term goal of 35% of product sales being zero-emission by 2030. We have more than 5,000 electric transit buses in service throughout the world and have been selling heavy-duty battery electric trucks in Europe since 2019. In the United States, we have Class 8 battery-electric tractors and refuse trucks as well as compact construction equipment all being used in customers' commercial operations. In addition to batteries, we recognize that hydrogen fuel cells will be needed to power electric drivelines for heavy transport and demanding long-haul applications and we have formed a joint venture with Daimler Truck to accelerate the development of this technology.

Overall Comments

Above all, we want to applaud the California State Transportation Agency ("CalSTA") for leading this interagency effort that produced the draft CAPTI. This kind of effort will be critical to the success of the California's clean transportation program. Having all the potential government players who can impact the "electric vehicle eco-system" is key to the development and implementation of a holistic approach for the heavy-duty sector. Addressing the needs of vehicle incentives, charging infrastructure (both private, semi-private, and public), and workforce development needs in all of their dimensions must by design be an interagency effort.

Volvo Group endorses the elements relevant to our segments of the transportation sector, specifically:

- Investments in medium and heavy-duty zero-emission (ZEV) infrastructure (p. 16)
- Developing a zero-emission freight transportation system (p.16)
- Making safety improvements to reduce fatalities and severe injuries of all users toward zero (p. 16)

In Implementation Strategies & Actions, Volvo Group believes prioritizing congested corridors (p. 17) is a positive strategy that will increase freight efficiency and improve the state's environmental



footprint, but the commercial freight sector (fleet owners and operators and technology providers, including the OEMs) must be fully engaged for this type of program to be a success. Additionally, heavy-duty trucks are not just big cars, so the same infrastructure deployment strategies will not work, and therefore, policymakers should consider the unique aspects of freight operations. Engaging the commercial freight sector will definitely benefit this process.

The focus on zero-emission vehicle infrastructure within the Trade Corridor Enhancement Program (p. 18) likewise is a positive development, but also needs to take into account the uniqueness of freight operations. While it is important to include local communities in these decisions, the larger eco-system that supports goods movement must be considered to ensure that the end result doesn't result in unintended consequences, such as simply shifting issues from one community to another.

Because the transportation system is so diverse and extensive, it will take an extraordinary effort to engage and seriously consider various local interests, but also ensure the entire system also has a voice in any decisions. The discussion of sustainable mobility (p. 25), particularly in the commercial sector, must also include economic sustainability along with other factors. Leaving out this factor could open the door to additional unintended consequences.

The interagency evaluation framework proposed on pages 25-26 is a positive step assuming it aligns with the state government leading a coordinated effort to build a sustainable eco-system for goods movement. However, given the rapid changes industry is undergoing, it is essential for this set-up to be agile, and to the extent possible, engage the private industry (fleet owners and operators and technology providers, including the OEMs) in relevant discussions.

One suggestion to the p. 29 Strategy S1 document is to add the California Governor's Office of Business and Economic Development ("GO-Biz") to S1.4 since they are the agency that has led the development of a zero-emission vehicle infrastructure program strategy while the California Air Resources Board ("CARB") has primarily focused on regulatory programs and funding vehicle



demonstrations and purchase incentives. In addition, the California Energy Commission (“CEC”) has been the primary agency analyzing and funding infrastructure so their inclusion would be positive.

Similarly, Strategy S4.6 (p. 34) on incorporating zero-emission freight infrastructure needs in the California Freight Mobility Plan would benefit from including the CEC, the California Public Utility Commission, and GO-Biz to add more in-depth expertise on the needs and holistic considerations for this sector.

Please do not hesitate to contact us if additional information is needed.

A handwritten signature in blue ink, appearing to read "A. Kailas".

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