

February 20, 2024

The Honorable Ann M. Williams, Chairperson
The Honorable Terra Costa Howard, Vice-Chairperson
The Honorable Dave Severin, Republican Spokesperson
Committee on Energy & Environment
Illinois General Assembly
Room 114 Capitol Building
Springfield, IL 62701

FILED ELECTRONICALLY

Re: ACRA Comments HB1634 – Legislation to Mandate Automatic Adoption of California Motor Vehicle Emissions Standards by State of Illinois

Dear Representatives Williams, Costa Howard and Severin:

The Board of Directors of the American Car Rental Association (ACRA) respectfully submits these comments in connection with the Committee on Energy and Environment's hearing on HB1634. This bill, if enacted into law, would mandate that the State of Illinois adopt *automatically* – without consideration by this legislature or an Illinois administrative agency -- any and all motor vehicle emissions standards established by the State of California both now and in the future.

ACRA requests that HB1634 be rejected by the Committee so that the elected members of this Committee, and the entire General Assembly, retain the authority to set motor vehicle emissions standards that are appropriate for Illinois, rather than relinquishing this authority to un-elected bureaucrats in California. It is ACRA's position that the elected officials of the State of Illinois should retain the authority to weigh whether such important, costly and potentially unnecessary emissions standards are required for the health and safety and Illinois' citizens – not the State of California.

A. Description of ACRA

ACRA is the national representative for over 98% of our nation's car rental industry. ACRA's membership is comprised of over 300 car rental

companies, including all of the brands you would recognize such as Alamo, Avis, Budget, Dollar, Enterprise, Fox, Hertz, National, Sixt and Thrifty. ACRA members also include many system licensees and franchisees, mid-size, regional and independent car rental companies as well as smaller, “mom & pop” operators. ACRA members have over 2.1 million registered vehicles in service in the United States, with fleets ranging in size from one million cars to ten cars and employ over 160,000 individuals across the nation. On average, ACRA members purchase 10 percent of the light duty vehicles sold in the U.S. each year.

In Illinois, if a resident or business traveler or tourist is renting a car, the chances are very high they are renting from a member of ACRA. Therefore, please consider these ACRA comments as the comments of the car rental operators across the state of Illinois.

ACRA's members are committed to reduced greenhouse gas emissions from mobile sources, including rental cars, and have demonstrated their commitment to transitioning from internal combustion vehicles to electric, hydrogen and other alternative-fueled vehicles. But ACRA firmly posits that such reductions and transitions must be accomplished through incentives and with regard to consumer acceptance and demand for alternative fueled vehicles, not via mandates such as those promoted by California.

B. ACRA's Comments on HB1634

1. Congress recognized that California has unique air quality challenges that are not facing other states – such as Illinois – and authorized California to adopt separate air quality standards in the 1990 amendments to the federal Clean Air Act. Those amendments also created a process for other states to “opt-in” to the California air standards on a case-by-case basis if the elected officials of another state concluded that the California standards were appropriate for their state's air quality challenges.

To ACRA's knowledge, no state has adopted a mandate, such as that contained in HB1634, that it must, without exception, follow California's motor vehicle emissions standards. Rather, several other states – primarily in the Northeastern United States -- have established through legislation a process whereby individual states

adopt individual California emissions programs if a program fits its air quality challenges. HB1634 would place Illinois in a unique position of being forced to adopt California motor vehicle emissions standards – no matter how costly or unnecessary those California standards might be given Illinois' air quality challenges.

2. An example of a California motor vehicle emissions standard that may be inappropriate for, or even impossible to implement in, Illinois is California's recently adopted electric vehicle (EV) mandate. Currently, only 2.5 percent of vehicles sold in Illinois each year are EVs and there are fewer than 1,300 electric vehicle charging locations in the entire state. California's current Advanced Clean Car II (ACCI) program would mandate that the share of EVs sold in California (and under HB1634, in Illinois) increase to 43 percent by 2028 – 4 years! -- and 82 percent by 2033 – without any attention in this proposal to the lack of fueling and charging infrastructure in place in California – or Illinois -- for these vehicles. Without a demonstration of consumer acceptance of EVs and the presence of adequate EV fueling and charging infrastructure throughout the state for use by consumers, such goals are unrealistic in California and likely in Illinois.
3. ACRA has supported federal EV incentives and ACRA's president has been appointed to the Federal Electric Vehicle Working Group – a federal advisory committee chartered to smooth the transition to EVs. ACRA's members have made significant investments in EVs and EV fueling and charging infrastructure over the past several years. And those commitments will continue into the future. But ACRA suggests that EV mandates, divorced from consumer demand, cost and electricity supply considerations, are unlikely to succeed.
4. Further, as a simple matter of law, Illinois may be prohibited under federal law from adopting HB1634. Litigation currently is underway regarding the authority of California to adopt its version of ACCII through its federal Clean Air Act waiver authority. Until that litigation is resolved, Illinois' adoption of HB1634 would be premature and could violate the pre-emption provisions of the CAA. Given the U.S. Supreme Court's 2022 ruling against federal regulation of greenhouse gases by the Environmental Protection Agency with

respect to power plants, ACRA suggests that Illinois' consideration of HB1634 is unsupported by current federal statutory and common law. If California's waiver request is denied in the federal courts – particularly when it is considered by the U.S. Supreme Court -- then HB1634 will be also be declared invalid – rendering all implementation costs and efforts wasteful and moot.

Thank you for considering ACRA's comments on HB1634. ACRA and our Illinois members hope to have the opportunity to work with Illinois' legislature to craft an EV promotion program that involves incentives, rather than mandates, and that takes into account consumer demand, charging infrastructure and fuel availability. If you have questions about ACRA's comments, please contact Gregory M. Scott at 202-297-5123 or at gscott@merevir.com.

Sincerely yours,



Sharon Faulker
Executive Director