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November 17, 2021

Honorable Stephen Sweeney
Honorable Bob Smith
Honorable John McKeon
Honorable Dan Benson

Re: S-3970 / A-5941 Warehouse Pollution Reduction

Dear Members of the New Jersey Legislature,

On behalf of the New Jersey Business Coalition, I want to convey our opposition to Senate Bill No. 3970 and Assembly Bill No. 5941. If enacted, these initiatives would require certain operators of warehouses, as small as 50,000 square feet, to implement air pollution reduction and mitigation plans. While we support efforts that reduce air pollution and the use of fossil fuels in our state, there are many other more effective, less costly, and less proscriptive means to achieve those ends. It is also premature to mandate the use of zero-emission heavy-duty trucks given the state of the technology.

We recognize that transportation accounts for about 42% of the greenhouse gas emissions emitted in this state and that it needs to be addressed. While most of the transportation related emissions are from the passenger and light duty truck vehicles, the need to address truck emissions is why the Department of Environmental Protection has recently proposed adopting the California Advanced Clean Truck rule. That rule making process is currently ongoing.

Congress has also just passed infrastructure legislation with a strong component focusing on electrification of the transportation sector. It is yet to be determined how this money will be spent but it will likely have a significant impact on transportation emissions. We should let those programs develop before we look to put new, industry specific, mandates on top of them.

It is important to note, however, that zero-emission trucks, whether in an effort to comply with the provisions of S-3970/A-5941 or absent the adoption of this legislation, will not be readily available and practically affordable until manufacturers are able to develop engines and equipment that run on cleaner alternatives to diesel and that are compatible with current and future weight limits and trip mile demands. In addition, there is insufficient recharging infrastructure funding and development to meet this legislation's aggressive requirements for fleet vehicles.

Furthermore, there is uncertainty about whether our energy grid can handle a significant increase in demand, particularly as the nation's economy relies more and more on the logistics and warehousing industry for a myriad of services, including retail and the home delivery of consumer goods. A warehouse cannot just install EV truck charging stations without a significant upgrade in the local and regional grid and power production. This is especially true for fleets.

We also urge caution in how this measure would impact the trucking community, given the pandemic and severe shortage of truck drivers and package handlers due to demanding working conditions. Many trucking companies are small and could not afford the very limited and expensive zero and partial emission vehicles, even if they were readily available. Additionally, the timing of this legislation could not be worse given the severe shortage of trucks due to supply chain disruptions from COVID, weather, labor shortages and other reasons.

We are very concerned that the aggressive requirements imposed would lead to the flight of small to medium sized businesses (warehouse operators) and a substantial loss in jobs, ratables and taxes. Rather than take the “stick” approach to attempting to mitigate emissions issues emanating from warehouses and the trucks that serve them, we recommend public/private solutions that establish realistic air pollution mitigation goals, with readily available public subsidies to incentivize fleet transition to zero - emission vehicles and the infrastructure needed to support their development and utilization.

In closing, we would be supportive of a collaborative approach that seeks to incentivize the transition to cleaner trucks while ensuring that the technology to do so is readily available and the infrastructure to support it is funded and in place. We welcome a further conversation on this topic to promote a cleaner New Jersey while supporting our vital logistics industry.

Thank you for considering this important request from the state business community, and if you have any questions, please contact NJBIA Chief Government Affairs Officer Chrissy Buteas at cbuteas@njbias.org.

Sincerely,

African American Chamber of Commerce of New Jersey, Inc.
American Camp Association NY/NJ
American Institute of Architects
New Jersey Camps Government Affairs Project
American Council of Engineering Companies of New Jersey
American Physical Therapy Association of New Jersey
Bernards Township Regional Chamber of Commerce
Big I New Jersey
Burlington County Regional Chamber of Commerce
Cape May County Chamber of Commerce
Capital Region Minority Chamber of Commerce
Chamber of Commerce of Greater Philadelphia
Chamber of Commerce Southern New Jersey
Chemistry Council of New Jersey
Commerce and Industry Association of New Jersey
Downtown New Jersey
Early Childhood Education Advocates
Eastern Monmouth Area Chamber of Commerce
Fuel Merchants Associates of NJ
Garden State Pharmacy Owners, Inc
Gloucester County Chamber of Commerce
Greater Atlantic City Chamber of Commerce

Greater NJ Motorcoach Association
Greater Toms River Chamber of Commerce
Greater Westfield Area Chamber of Commerce
Hoboken Chamber of Commerce
Home Health Services Association of New Jersey
Hudson County Chamber of Commerce
Hunterdon County Chamber of Commerce
Jersey Shore Partnership
Mahwah Regional Chamber of Commerce
Marine Trades Association of New Jersey
Middlesex County Regional Chamber of Commerce
Meadowlands Chamber
Monmouth Ocean Development Council
Morris County Chamber of Commerce
NAIOP-NJ
National Association of Professional Employer Organizations (NAPOE)
National Federation of Independent Business (NFIB)
Newark Regional Business Partnership
New Jersey Asphalt Pavement Association
New Jersey Association of Osteopathic Physicians and Surgeons
New Jersey Bankers Association
New Jersey Builders Association
New Jersey Business & Industry Association
New Jersey Campground Owners and Outdoor Lodging Association
New Jersey Civil Justice Institute
New Jersey Coalition of Automotive Retailers
New Jersey Concrete and Aggregate Association
New Jersey Dental Association
New Jersey Fitness Alliance
New Jersey Food Council
New Jersey Gasoline-Convenience-Automotive Association
New Jersey Hotel and Lodging Industry Association
New Jersey Independent Electrical Contractors Association
New Jersey Liquor Store Alliance
New Jersey Manufacturing Extension Program, Inc.
New Jersey Motor Truck Association
New Jersey Pharmacists Association
New Jersey Podiatric Medical Society
New Jersey Restaurant & Hospitality Association
New Jersey Retail Merchants Association
New Jersey Salon and Spa Coalition
New Jersey Society of Certified Public Accountants
NJ Small Business Coalition
New Jersey State Chamber of Commerce

New Jersey State Funeral Directors Association
New Jersey State Veterans Chamber of Commerce
New Jersey Tourism Industry Association
New Jersey YMCA State Alliance
New Jersey Warehousemen & Movers Association
Newark Regional Business Partnership
North Jersey Jewish Business Alliance
New York Shipping Association, Inc.
Ocean City Chamber of Commerce
Recreational Fishing Alliance
Salem County Chamber of Commerce
Somerset County Business Partnership
Southern NJ Development Council
Southern Ocean County Chamber of Commerce
Statewide Hispanic Chamber of Commerce of NJ
Sussex County Chamber of Commerce
The American Planning Association - NJ Chapter
The United Boatmen of N.J.
Union Township Chamber of Commerce
Washington Borough BID

Cc: Governor Murphy