State of California
AIR RESOURCES BOARD

Sustainable Freight Strategy Update

Resolution 14-2

January 23, 2014

Agenda Item No.: 14-1-5

WHEREAS, section 39003 of the Health and Safety Code charges the Air Resources Board (ARB or Board) with coordinating efforts to attain and maintain ambient air quality standards, to conduct research into the causes of and solution to air pollution, and to systematically attack the serious problem caused by motor vehicles;

WHEREAS, sections 39600 and 39601 of the Health and Safety Code authorize the Board to adopt standards, rules, and regulations and to do such acts as may be necessary for the proper execution of the powers and duties granted to and imposed upon the Board by law;

WHEREAS, sections 39666 and 39667 of the Health and Safety Code authorize the Board to regulate emissions of toxic air contaminants from non-vehicular and vehicular sources;

WHEREAS, section 43013 of the Health and Safety Code authorizes the Board to adopt and implement regulations, which the Board has found to be necessary, cost-effective, and technologically feasible to control air pollution from motor vehicles and off-road or non-vehicle engine categories;

WHEREAS, the federal Clean Air Act requires the Board and local air districts to prepare State Implementation Plans (SIPs) demonstrating how each nonattainment region will attain the national 8-hour ozone and fine particulate matter (PM2.5) standards, with plans due in 2016;

WHEREAS, the California Global Warming Solutions Act of 2006 (Assembly Bill 32; Chapter 488 Statutes of 2006; Health & Safety Code section 38500 et seq.) declares that global warming poses a serious threat to the economic well-being, public health, natural resources, and environment of California; it granted ARB the authority to monitor and regulate greenhouse gas emissions from all sources, and provided initial direction on creating a comprehensive multi-year program to reduce California's greenhouse gas emissions to 1990 levels by 2020, maintain and continue reductions beyond 2020, and initiate the transformations required to achieve the State's long range climate goals;

WHEREAS, Executive Order S-3-05 established a California greenhouse gas emission reduction target of 80 percent below 1990 levels by 2050; this target was reaffirmed in Executive Order B-16-2012 which established a California target for the transportation sector of 80 percent below 1990 levels by 2050;

WHEREAS, Assembly Bill 32 added section 38501 to the Health and Safety Code, which expresses the Legislature's intent that ARB coordinate with State agencies and consult with the environmental justice community, industry sectors, business groups, academic institutions, environmental organizations, and other stakeholders in implementing AB 32 and to design emissions reduction measures in a manner that minimizes costs and maximizes benefits for California's economy, maximizes additional environmental and economic co-benefits for California, and complements the State's efforts to improve air quality;

WHEREAS, section 38560 of the Health and Safety Code directs the Board to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective GHG emissions reductions from sources or categories of sources;

WHEREAS, the ships, harbor craft, trucks, locomotives, cargo equipment, and aircraft that move international and domestic goods to, from, and throughout California are significant contributors of direct PM2.5, black carbon, and greenhouse gas emissions, as well as the nitrogen oxides and sulfur oxides that form ozone and PM2.5; these emissions are a public health concern at both regional and community levels and also contribute to global warming;

WHEREAS, ARB defined an initial suite of necessary regulations and other actions to lower the health risk from diesel PM in the 2006 Emission Reduction Plan for Ports and Goods Movement in California;

WHEREAS, as outlined in the 2006 Plan, ARB adopted regulations over the next several years to reduce emissions of diesel PM and other air pollutants from drayage and other on-road trucks, transportation refrigeration units, marine vessels, cargo equipment, locomotives, and ARB is actively implementing and enforcing those regulations and related programs;

WHEREAS, local air districts, ports, transportation and energy agencies, cargo owners, trucking firms, railroads, shipping lines, and terminal operators are initiating or continuing activities to reduce freight related emissions; these actions are integral to the success of California's air quality and climate programs;

WHEREAS, ARB actions to date, combined with national emission standards and local initiatives, have significantly improved air quality in the highest risk communities affected by freight transport by reducing diesel PM emissions by 70 percent or more at the major seaports and by 50 to 70 percent at the highest risk rail yards since 2005;

WHEREAS, the diesel emissions from operations at major freight facilities (e.g., ports and rail yards, along roadways, and near warehouses, distribution centers, border crossings, and airports) still pose unacceptable health risks and must be further reduced to protect nearby communities;

WHEREAS, attainment of the national air quality standards for ozone and meeting the State's GHG reduction targets will require aggressive emission reductions and transformation of the freight sector to zero or near zero-emission technologies;

WHEREAS, public funding such as the Air Quality Improvement Program, Proposition 1B Goods Movement Emission Reduction Program, Carl Moyer Program, Cap-and-Trade auction proceeds, air district, port and federal funds, has or is anticipated to be critical in ensuring and supporting advanced development, demonstration, deployment, and commercialization of zero and near-zero technologies;

WHEREAS, the California Department of Transportation (Caltrans) is preparing a State Freight Mobility Plan that complies with the federal transportation funding requirements under Moving Ahead for Progress in the 21st Century (MAP-21, Pub. L. 112-141) and provides a comprehensive plan to govern the State's short- and long-term planning activities and capital investments relating to freight;

WHEREAS, Caltrans has established the California Freight Advisory Committee to advise the California State Transportation Agency on freight-related priorities, issues, projects, funding needs, and development of the State Freight Mobility Plan;

WHEREAS, ARB is participating in Caltrans' California Freight Advisory Committee, and Caltrans and ARB staff are working together to address the State's mobility needs, while reducing GHG emissions, criteria pollutants, and toxics;

WHEREAS, the United States Department of Transportation (USDOT), under the provisions of MAP-21, is in the process of establishing a national freight policy, a national freight network, a national freight strategic plan, and freight data planning and reporting tools;

WHEREAS, USDOT, through the metropolitan and statewide planning provisions of MAP-21, is working with California's Metropolitan Planning Organizations (MPOs) to support the continued requirement that planning processes consider projects and strategies to increase the accessibility and mobility of people and freight and enhance the integration and connectivity of the transportation system across and between modes;

WHEREAS, California's MPOs are already working to incorporate these freight planning requirements from MAP-21 into their Regional Transportation Plans and Federal Transportation Improvement Programs and integrating them with their regional air

quality goals and Sustainable Communities Strategies as they prioritize and fund transportation projects;

WHEREAS, California transportation infrastructure projects are developed, prioritized, and funded through State and regional transportation planning and programming processes;

WHEREAS, new freight infrastructure projects are being planned, permitted, and built in California to improve the logistic system, including projects for port infrastructure, rail yards, large distribution centers, and border crossings; this infrastructure expansion creates a need for a coordinated California freight effort to address transportation and environmental objectives;

WHEREAS, ARB approved the Air Quality and Land Use Handbook in 2005 to provide information to local land use decision makers on siting new housing, schools, and other facilities near existing sources of air pollution;

WHEREAS, the logistics industry is a critical contributor to California's economy and jobs, supporting small businesses, agriculture, manufacturing, and other sectors, as well as making a wealth of goods available to consumers;

WHEREAS, in April 2013, the South Coast Air Quality Management District, in cooperation with the San Joaquin Valley Air Pollution Control District, the U.S. Environmental Protection Agency, and ARB held a symposium on "Transitioning to Zero-Emission Freight Transport Technologies" to begin exploring the technologies that will be needed to support a sustainable freight system;

WHEREAS, in May 2013, ARB, in cooperation with business, transportation, port, and environmental organizations, convened the Haagen-Smit Symposium with over 80 leaders from government, industry, and communities to seek foundational input on the need and principles for developing a sustainable freight system in California; and

WHEREAS, the approach proposed by staff for the Sustainable Freight Strategy builds on the recommendations that emerged from three days of discussion at the Haagen-Smit Symposium.

WHEREAS, the Board finds that:

1. The Legislature, the Board, and regional transportation agencies have already begun to plan for sustainable communities to support personal mobility. A significant transformation in how the State moves cargo is also required to meet California's air quality, health, and climate goals.

2. There is an opportunity and a need for ARB to take a leadership role now with its agency partners to engage stakeholders in the context of California's long-term

effort to implement a sustainable freight system that can: move goods more efficiently with zero or near-zero emissions; transition to cleaner, renewable transportation energy sources; provide reliable velocity and expanded system capacity; integrate with the national and international freight transportation systems; and support healthy, livable communities.

3. This initiative should also recognize the value of: keeping California's ports and logistics industry competitive; supporting the delivery of California's products locally and to other states and countries; creating jobs in California and training local workers to support the new transport system; increasing energy security; and improving mobility.

NOW, THEREFORE, BE IT RESOLVED that the Board directs the Executive Officer to:

1. Engage cargo owners, the logistics industry, labor, ports, utilities, business leaders, environmental and community groups, environmental justice groups, academics, air, transportation and energy agencies at all levels, and other interested stakeholders to provide input on the development of a Sustainable Freight Strategy document that ARB staff will present to the Board in 2014. The document should identify and prioritize actions to move California towards a sustainable freight transport system and build a coalition to affect change outside of ARB's immediate sphere of influence.

2. Complete sector-based technology assessments for: truck, rail, ship, commercial harbor craft, cargo handling equipment, and air cargo; and undertake a systems analysis. Consider the "well-to-wheels" pollution impacts associated with different fuel and technology options to inform development of performance-based goals and/or standards. Seek advice from the logistics industry and academics on techniques that businesses could use to improve the efficiency of their freight transportation operations and actions that government could take to support efficiency improvements at the business, sector, and system levels.

3. Use the results of the work described above as the technical foundation for the development of freight-related strategies to aid regions in attaining air quality standards, reducing the localized health risk from freight operations, and meeting climate change goals. This work should also inform the recommendations for action to be included in the Sustainable Freight Strategy, as well as the freight-related measures in the State Implementation Plan and the Climate Change Scoping Plan.

4. Identify and implement near-term actions to reduce localized risk in communities near freight facilities. Begin development of broad principles and criteria for new and expanded freight facilities as a tool for local land use decision makers and community residents.

5. In coordination with Caltrans and the California Freight Advisory Committee, develop principles and criteria that seek to establish air quality and climate benefits as co-equal to established transportation/mobility metrics in determining the priority of freight-related transportation projects and recommend inclusion of these principles and criteria in the 2014 Freight Mobility Plan.

6. Coordinate planning with State energy agencies, including the California Energy Commission, the California Public Utilities Commission, and the California Independent System Operator to meet the energy requirements of a sustainable freight system.

7. In close coordination with the local air districts, evaluate and implement opportunities to prioritize transformative zero and near-zero emission technologies for incentive funding programs.

BE IT FURTHER RESOLVED that the Board considers the development of the Sustainable Freight Strategy document to be a high priority for the agency and directs the Executive Officer to proceed expeditiously.

I hereby certify that the above is a true and correct copy of Resolution 14-2, as adopted by the Air Resources Board.

Tracy Jensen, Clerk of the Board