In late March 2017, the California Air Resources Board (CARB or the Board) adopted Resolutions 17-7 and 17-8, as well as an addendum to each that provided direction to staff including:

- Provide an annual report on State Implementation Plan (SIP) progress, funding, and identification of further regulatory or emission reduction strategies.
- Develop amendments within 18 months to the Ships At-Berth regulation to achieve up to 100 percent compliance.
- Develop a regulatory proposal within 24 months for zero-emission cargo handling equipment.
- Report back in 12 months on concepts for both an Indirect Source Review (ISR) rule for seaports, railyards, and warehouse/distribution centers and alternative approaches capable of achieving similar levels of emission reductions.

Emissions from freight transport continue to pose significant risks to public health. Although CARB’s existing regulations and incentive programs have already substantially reduced freight-related emissions, additional reductions are needed to protect communities and help achieve air quality and climate targets. CARB is working to identify new policy approaches to achieve further reductions, particularly in highly impacted communities.

This document describes how staff plans to implement the Board’s direction to report back with concepts for reducing emissions from freight facilities and addresses some common questions about how new legislation may affect this effort.

**What is the expected scope of CARB staff’s March 2018 report to the Board?**

Staff is developing an “Update on Approaches to Further Reduce Health Impacts from Freight Facilities” to be presented to the Board during its March 2018 meeting.

To offer context, this report will include a retrospective on the multiple approaches used in California to significantly reduce freight pollution since 2005 -- from State and national regulations, enforceable agreements and port initiatives, and project environmental reviews and mitigation, to public incentives and substantial private investments.

We also plan to characterize the current activities and emission sources at three types of major freight facilities -- seaports, railyards, and warehouses/distribution centers -- as well as available information on the associated health impacts. We will also identify

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1 The Resolutions and the single addendum that applies to both Resolutions are at https://www.arb.ca.gov/board/res/2017/2017resolutions.htm
data gaps and describe our efforts to obtain additional data this year by initiating surveys of freight facilities.

For this report, staff is developing potential concepts to reduce emissions and community exposure including: sector-based approaches (e.g. equipment emission standards) and facility-based approaches. For each category, implementation mechanisms may involve regulations, enforceable agreements, project design and mitigation measures, best practices guidance, or incentives. In response to the Board’s direction, we are also examining the potential for Indirect Source Review rules and facility-based enforceable agreements with ports and industry to deliver the outcomes listed below.

Staff expects to consider the ability of potential concepts to achieve the following outcomes:

- Effectiveness in reducing emissions and health risk to protect communities
- Opportunities to increase efficiency
- Implementation feasibility for equipment operators and facilities
- Ease of compliance and enforcement
- Certainty of implementation

Based on the Board discussion and direction in March 2017, and new legislative guidance, staff will present progress and the need for further action through a community lens, in addition to the customary regional and statewide considerations. This will be informed by the concerns and suggestions we’ve heard from community leaders and advocates over the last several years, plus upcoming meetings in freight-impacted communities.

How can the public engage on the concepts that CARB staff will present to the Board in March 2018 and on freight regulations in development?

CARB staff will host several outreach events, including public workshops starting in Summer 2017, community meetings in the Fall, and ongoing individual meetings with community, agency, and industry stakeholders. In addition, we will update our website https://www.arb.ca.gov/gmp/sfti/FreightFacility.htm as new information is available.

- **August/September 2017**: Initial public workshops on Potential Concepts and Approaches to Further Reduce the Community Health Impacts from Freight Facilities (to inform the staff’s report back to the Board).
- **September/November 2017**: Community meetings on existing and planned actions to reduce the health impacts of freight operations, including Ships At-Berth and Transport Refrigeration Unit regulatory amendments.
• January 2018: Public workshops on Approaches to Further Reduce the Community Health Impacts from Freight Facilities (to inform the staff’s report back to the Board).
• Early 2018: Additional public workshops on Ships At-Berth and Transport Refrigeration Unit regulatory amendments.
• March 2018: Informational presentation to the Board on Approaches to Further Reduce the Community Health Impacts from Freight Facilities.

How does CARB’s freight-related work fit into Assembly Bill 617?

CARB’s freight-related activities will also support the upcoming work to implement Assembly Bill (AB) 617 (C. Garcia, Chapter 136, Statutes of 2017), which combats air pollution at the neighborhood level. AB 617 requires CARB, among other projects, to establish guidance for the development and implementation of community reduction plans focused on reducing exposures in the neighborhoods most impacted by air pollution. In some of these neighborhoods, operations at freight facilities are likely to be contributors to high exposures to air toxics.

Did CARB adopt an ISR rule, facility cap, performance cap, productivity cap or other facility-based measure at the March 2017 Board meeting?

No. The Board directed staff to identify concepts for an ISR rule and alternative approaches to control pollution from large freight facilities, including seaports, railyards, and warehouse/distribution centers, and to report back in 12 months. The Board also did not add measures to the State Implementation Plan, or commit to any particular approach. Instead, it directed staff to investigate options that can be explored in future public processes.

Staff will continue to work with stakeholders to identify concepts that include both regulatory and non-regulatory measures for reducing emissions from the freight transport sector. Regulatory concepts may include sector-specific or facility-based approaches to reducing emissions. An ISR rule is one type of facility-based approach under consideration. Non-regulatory concepts may include enforceable agreements with industry, best practices guidance, certification and recognition programs, and incentives.

CARB staff has already included many such concepts in air quality plans, including: the 2015 Sustainable Freight: Pathways to Zero and Near-Zero Emissions Discussion Document, the 2016 California Sustainable Freight Action Plan, the 2016 State Strategy for the State Implementation Plan, and the Scoping Plan. Staff plans to evaluate the emissions reduction potential from a variety of approaches and will use the published technology assessments2 to help evaluate concepts. Staff will post any new data and analyses onto a public website as it becomes available.

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2 https://www.arb.ca.gov/msprog/tech/report.htm
Is CARB staff now developing an Indirect Source Review regulation?

No. Staff is currently focused on identifying and evaluating concepts and approaches to reduce the health impacts from freight operations, with a priority on protecting communities near major freight facilities. The results will be included in the March 2018 presentation to the Board.

Staff is also continuing to develop amendments to the Ships At-Berth and Transport Refrigeration Unit regulations to achieve additional emission reductions, consistent with the SIP.

Will the provisions of the addendum to the SIP Resolutions become federally enforceable upon approval of the SIP by U.S. EPA?

No. The addendum did not modify CARB’s SIP commitments as identified in the March 7, 2017 Revised Proposed 2016 State Strategy for the State Implementation Plan³. The addendum provided direction from the Board to staff on additional priorities for near-term evaluation.

Although the Resolutions (including the addendum) were included in the SIP submittal package for information purposes and to affirm that the SIP itself had been approved, the addendum language did not modify the SIP and is not a part of the federally enforceable SIP commitment. CARB’s SIP commitment has two basic elements: a commitment to achieve an aggregate amount of emission reductions; and a commitment to propose to the Board, or take other action, on the measures listed in Attachment A (Proposed New Measures and Schedule)⁴ to the SIP Resolution by the dates specified. The addendum did not add any measures to this list. Instead it simply directed staff to study further measures; any further measures would have to be added through a later public process.

How does this direction from the Board affect implementation of the Governor’s 2016 Sustainable Freight Action Plan?

CARB is continuing to collaborate with its sister agencies and stakeholders to realize the vision of the California Sustainable Freight Action Plan to transport freight reliably and efficiently, using zero emission equipment everywhere feasible, and near-zero emission equipment powered by clean, low-carbon renewable fuels everywhere else. We are also being guided by the Executive Order’s emphasis on increasing efficiency and competitiveness.

How does Senate Bill 1 affect CARB’s emission reduction strategies for freight facilities?

Governor Edmund G. Brown Jr. signed Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017) that contains provisions related to freight equipment. Stakeholders have raised questions to CARB about how the bill provisions apply to CARB, air district, and seaport actions to reduce emissions from trucks.

SB1 helps reduce emissions from older diesel trucks by getting those trucks off the road. SB 1 contains new compliance requirements linked to the registration process for heavy-duty diesel trucks. The enhanced compliance provisions mean that 300,000 old dirty diesel trucks that do not comply with CARB’s Truck and Bus Regulation will be cleaned up. The bill may impose some limits on CARB’s authority to require the retirement, replacement, retrofit, or repower of trucks during specified useful life periods, while leaving open significant authority to address emissions from freight facilities that do not implicate SB 1 limits.

SB 1 does not affect CARB’s efforts to establish a new low oxides of nitrogen engine emission standard for heavy-duty trucks. If CARB adopts a future in-use regulation for trucks, the useful life provisions in SB 1 may apply to trucks captured under that future regulation.

Does SB 1 change existing regulations on the books such as Truck and Bus?

No. The provisions of SB 1 affecting CARB’s authority to regulate in-use trucks apply only to “laws or regulations adopted or amended after January 1, 2017.” The Truck and Bus Regulation was last amended in 2014.

Does SB 1 prohibit CARB, the air districts, or the seaports from adopting or implementing facility-based measures that reduce truck emissions?

No. CARB and the air districts have the same indirect source authority as before the adoption of SB 1. Nothing in SB 1 precludes seaports from taking action to protect their communities from toxic pollution. Also, SB 1 does not prohibit CARB or the air districts from establishing entry requirements to specific types of facilities, nor does it prohibit seaports from establishing their own measures to accelerate the transition to a cleaner port truck fleet and to reduce emissions from trucks serving their facilities.