



401 B Street, Suite 800  
 San Diego, CA 92101-4231  
 (619) 699-1900  
 Fax (619) 699-1905  
 sandag.org

April 20, 2015

File Number 3100700

Clerk of the Board  
 California Air Resources Board  
 101 I Street  
 Sacramento, CA 95814

To Whom It May Concern:

**SUBJECT:** Comments on the Sustainable Freight Pathways to Zero and Near-Zero Emissions Document

Thank you for the opportunity to comment on the California Air Resources Board (CARB) discussion draft of the *Sustainable Freight Pathways to Zero and Near-Zero Emissions* (Pathways). SANDAG is supportive of the CARB-stated strategy to pursue reductions in freight-related emissions and to do so with consistent and transparent coordination in concert with a wide cross section of public and private stakeholders. In fact, we were pleased to see that the Pathways document contains over 40 references to partnering. SANDAG considers goods movement as a transportation function with majority participation from the private sector, and therefore, our freight strategies are carefully developed through consistent interactions with private carriers, shippers, and operators. With this complex interaction of public and private freight interests in mind, we have structured our suggestions and comments from a macro planning overview, to policy issues, and finally to technical issues.

**Overarching Process and Continuous Coordination with Stakeholders**

1. We respectfully suggest CARB consider a continuous feedback loop with both its private and public partners in order to have real time access to the innovations happening in green and sustainable freight practices. This will improve the direction and the general acceptance of the complex Pathways initiative. In a quick review of the interviewed stakeholders, it appears that less than 20 percent could be considered private sector. The organizational structure of the Pathways discussion draft and the draft Heavy-Duty Technology and Fuels Assessment: Overview (Heavy-Duty Overview) do not present a strong, continuous, and collaborative relationship with the private sector, and we are not able to fully grasp any additional underlying information from the draft sector-specific reports. As a result, we did not see any of the big original equipment manufacturers that will drive the future of green truck engine technologies or representation from international shipping lines. While we saw fairly robust public sector interaction, we believe it is the private sector that requires deeper and sustained engagement. In the event that draft sector-specific reports have further information related to the private sector, this needs to be integrated upfront in the two documents

MEMBER AGENCIES

- Cities of
- Carlsbad
- Chula Vista
- Coronado
- Del Mar
- El Cajon
- Encinitas
- Escondido
- Imperial Beach
- La Mesa
- Lemon Grove
- National City
- Oceanside
- Poway
- San Diego
- San Marcos
- Santee
- Solana Beach
- Vista
- and
- County of San Diego

ADVISORY MEMBERS

- Imperial County
- California Department of Transportation
- Metropolitan Transit System
- North County Transit District
- United States Department of Defense
- San Diego Unified Port District
- San Diego County Water Authority
- Southern California Tribal Chairmen's Association
- Mexico

mentioned above; if not, this needs to be further developed as a critical component to future success in achieving suggested emission targets.

There are several examples of how additional structured input from the private sector could be harnessed. CARB's work needs more industry participation than currently exists on the Caltrans State Freight Advisory Council. We think a Blue Ribbon Public/Private Advisory Group will help CARB to achieve its stated goal of "transitioning to a modern freight system, which will rely on public and private funds invested in infrastructure projects, vehicle and equipment purchases, technology applications, and system management approaches."

2. On earlier occasions SANDAG has discussed the idea of CARB engaging a Blue Ribbon Panel under the respected auspices of the National Academy of Science/Transportation Research Board (NAS/TRB) to help inform and guide the Pathways initiative. It should be noted that the South Coast Air Quality Management District is a sponsor of NAS/TRB activities through TRB, so we suggest this as a viable option with an organization that has impeccable technical credentials.
3. In conjunction with a Blue Ribbon Advisory Committee with heavy private sector input, we also think that CARB would be well served to engage active participation from labor. There is strong organized labor work rules at many of the major freight hubs of concern, and any operational changes intended to drive down unnecessary emissions will require cooperation from organized labor. We need only to look back a few months to the crippling West Coast port strike, to know that operational improvements and cooperation from labor will be fundamental to the transformational ideas in the Pathways document.
4. This active participation from labor as well as the major private sector freight hub operators will ensure that viable and implementable strategies emerge in the next phase of CARB's Pathways work. For instance, the rapidity of change in truck engine technologies will best be collected by having those engineering experts advising the work of CARB rather than reacting to regulations developed absent sufficient dialogue. We saw only minimal interaction from major truck manufacturers involved in the Pathways process and a few references in the separate Heavy-Duty Overview, but we did see the California State Trucking Association.
5. We noted that the Pathways report gives many indications that policy options will be evaluated, but that there is a strong predilection toward regulations and subsidies for industry to stimulate change. We think that another strategy also should be examined, and that would be a nationwide competition modeled after something like the Defense Advanced Research Agency (DARPA) "Grand Challenge." As the most prominent research organization of the United States Department of Defense, the DARPA Grand Challenge is an annual prize competition structured by the need to drive technical innovation from those best capable of that innovation. The most recent Grand Challenge was to draw out the most innovative autonomous vehicles. DARPA set the competitive framework that drives innovation by awarding cash prizes to further its mission and need to sponsor revolutionary, high-payoff research in order to bridge the gap between fundamental discoveries and complex military needs. Again, with guidance from a Blue Ribbon Panel, the Grand Challenge approach could serve CARB well, especially when considering the enormous concentration of high tech transportation innovation-oriented firms in the state (think QUALCOMM, Google, Tesla, and the California Operating Terminals in Los Angeles). While our suggestion is not solely wedded to the DARPA Grand Challenge model, we do feel strongly that there are many examples of better ways to stimulate and harvest emissions benefits through industry-led initiatives.

6. To further stress the point of broader stakeholder input, especially from the private sector, we noted the appropriate reference to economic impacts and the economic valuation of health impacts. Along the same lines, CARB should consider also evaluating the economic impacts to the state, localities, and industries likely to be impacted by the evolving strategy. Also, we did not see a reference to the estimated costs of the regulatory approach as envisioned in the Pathways document, while it was nominally referenced in the Heavy-Duty Overview. With some analysis, CARB could find that by engaging the Blue Ribbon Advisory approach coupled with the technology stimulation tool of something like the Grand Challenge, the state could make more cost-effective progress toward environmental objectives. In short, such a complex, multi-stakeholder initiative also should conduct return on investment or cost benefit policy analytics in order to apply the most efficacious strategies.

### **Policy Issues**

1. In general, the process seems to be moving rapidly, with additional important information to be forthcoming. This is another reason we are hoping that the CARB will remain open to input and that continuous engagement will be embraced by CARB. The statement on Page 6, "that after the April 2015 Board Meeting, CARB staff will further evaluate and develop, as appropriate, a subset of potential levers identified in this section in partnership with other agencies and in consultation with stakeholders. These may become additional near term measures or new mid-term measures that support the State Implementation Plan and the Climate Change Scoping Plan," indicates that significant actions will stem from the Board's approval of the Pathways document.
2. In line with our comments about continuous stakeholder participation, we think that by embracing this direction, CARB will be judged as having conducted its analysis in a transparent manner and will emerge from the overall sustainable freight initiative with practical policies and technologies that reduce pollution from commercial truck operations, vehicle maintenance, and other industry facilities or freight hubs. To that end, we think that continuous interaction will result in policies that are cost effective and efficient for California taxpayers, will underpin science-based laws and regulations to maintain and protect the environment, and to the greatest extent possible, ensure uniformity across all levels of government. We also saw reference to airports and transit, and did not have time to reach out to those parties for comment, or perhaps we are not aware that CARB already briefed these stakeholders.
3. Throughout the Pathways document we saw repeated references pointing to freight hub emission caps. We would like CARB to be aware that in San Diego, our two major freight hubs have unique characteristics. First, the Port of San Diego is a small, specialty port, and will likely need different attention than the strategies and incentive employed at the nation's two largest ports of Los Angeles and Long Beach. Second, our other freight hub is on the international border with Mexico. Again, this unique binational facility will require different attention and strategies, as many of the emissions drivers rest outside of any local management authority, and in fact are largely driven by United States and Mexican national border management agencies. In short, a one size fits all freight hub emission cap strategy will be problematic.
4. There are many references throughout the Pathways and Heavy-Duty Overview documents that indicate that the state will encourage the Environmental Protection Agency to adjust its regulations to achieve the zero to near-zero vision. This strategy has been challenging in the past, and the result is that California becomes the "one-off" state with regulations that impact what are essentially global supply chains. The result can be a flight of industry or commerce, forcing impacts in costs in non-predictable ways.

## Technical Issues

1. Many technical conclusions or suggestions are buttressed with anecdotal data and/or data that is well out of date. For example, in the discussion of freight hubs (Page 17), CARB mentions the results of its 2004-2008 Health Risk Assessments in communities around freight hubs. Is there more recent data? The report (Page 18) indicates that, "the emissions levels in accompanying charts do not show the lower emission levels present after implementation of the extensive regulatory and incentive programs, as well as railroad initiatives." To ensure the credibility of the process, CARB will likely want to include more recent emissions data.
2. The Pathways report indicates strong interest in applying emission caps at freight hubs. We envision several technical challenges that CARB will have to address, such as:
  - a. Supplying a map of the freight hubs.
  - b. Defining the freight hubs, and who is the responsible manager of a given freight hub. Even by calling the initiative a "Zero to Near-Zero Pathway" approach, the immediate public perception drives an expectation that this zero to near-zero state is imminently achievable.
  - c. We see the freight hub strategy as being difficult to implement, monitor, and enforce. For example, many freight hubs are situated near major highway systems and other emission source points. How is measurement going to be appropriately attributed to the freight hub owner, and who is that owner?
  - d. Furthermore, focusing on certain freight hubs and imposing caps at that particular hub could spur the flight of certain operators. We saw this happen when warehousing could not be located near the Ports of Los Angeles/Long Beach wherein the Inland Empire became a de facto warehousing center for the ports. The emissions may have gone down near the ports, but the volumes of traffic away from one freight hub to another area certainly added to the overall regional emissions. Just as we now understand smart communities and the desirability of urban densification as a strategy to avoid urban sprawl, we also must now take into account that freight sprawl is every bit as real as urban sprawl.
3. On Page 14 there are bar charts showing regional emissions. We would like to understand how the emissions for the border were calculated. Is the CARB analysis viewing the border as all ports of entry in both Imperial and San Diego Counties? Is CARB counting all of San Diego as the border?

We offer these comments and suggestions to strengthen CARB's approach on the Pathways initiative and the accompanying Heavy-Duty Overview, and in anticipation of the forthcoming draft sector-specific reports and to ensure a transparent partnering approach that we all know must underpin the public process. As in the past, SANDAG stands by to be an active partner to address the suggestions and comments offered. We also have a redline version of the entire Pathways document for review and discussion.

Sincerely,



GARY L. GALLEGOS  
Executive Director

GGA/SSTR/CCA/ssmi