

**Strengthening the Voice of Business**

**Chambers of Commerce**

Alhambra  
Arcadia  
Bell Gardens  
Beverly Hills  
Burbank  
Central City Association  
Century City  
Culver City  
El Monte/South El Monte  
Glendale  
Greater Lakewood  
Harbor City / Harbor Gateway  
Hollywood  
Inglewood Airport Area  
Irwindale  
La Canada Flintridge  
LAX Coastal Area  
Long Beach Area  
Los Angeles Area  
Los Angeles Junior  
Malibu  
Pacific Palisades  
Pasadena  
Pomona  
Redondo Beach  
Regional San Gabriel Valley  
Rosemead  
San Pedro Peninsula  
Santa Monica  
Santa Monica Junior  
South Bay Association  
Toluca Lake  
Torrance Area  
United Chambers San Fernando Valley  
Universal City North Hollywood  
United States-Mexico  
Vernon  
West Hollywood  
West Los Angeles  
Westside Council  
Wilmington  
Woodland Hills-Tarzana

**Trade Associations**

AIA Los Angeles  
American Beverage Association  
Antelope Valley Board of Trade  
Apartment Association, California Southern Cities  
Apartment Association of Greater Los Angeles  
Arcadia Association of Realtors  
Beverly Hills / Greater LA Association of Realtors  
Building Industry Association, LA / Ventura Counties  
Building Owners & Managers Association, Greater LA  
Burbank Association of Realtors  
California Apartment Association, Los Angeles  
California Cannabis Industry Association  
California Construction Industry and Materials Association  
California Contract Cities Association  
California Fashion Association  
California Grocers Association  
California Independent Bankers  
California Independent Petroleum Association  
California Metals Coalition  
California Restaurant Association  
California Small Business Alliance  
California Trucking Association  
Carson Dominguez Employers Alliance  
Citrus Valley Association of Realtors  
Coalition for a Prosperous America  
Community Associations Institute, Los Angeles  
Construction Industry Air Quality Coalition  
Construction Industry Coalition on Water Quality  
Employers Group  
Engineering Contractor's Association  
Entrepreneurs Organization, Los Angeles  
F.A.S.T.-Fixing Angelenos Stuck in Traffic  
FilmLA  
FuturePorts  
Glendale Association of Realtors  
Greater Los Angeles New Car Dealers Association  
Harbor Association of Industry and Commerce  
Harbor Trucking Association  
Hospital Association of Southern California  
Hotel Association of Los Angeles  
Industry Manufacturers Council  
International Warehouse Logistics Association  
LA SHARES  
Leadership for Urban Renewal Network  
League of California Cities  
Los Angeles Cleantech Incubator  
Los Angeles County Bicycle Coalition  
Los Angeles County Waste Management Association  
Los Angeles World Affairs Council  
Motion Picture Association of America  
NAIOP Southern California Chapter  
National Alliance for Jobs and Innovation  
National Association of Women Business Owners, LA  
Pacific Merchant Shipping Association  
Pasadena-Foothills Association of Realtors  
Recording Industry Association of America  
Rotary Club of Los Angeles  
San Gabriel Valley Economic Partnership  
Santa Clarita Valley Economic Development Corp.  
South Bay Association of Realtors  
Southern California Golf Association  
Southern California Grantmakers  
Southland Regional Association of Realtors  
Town Hall Los Angeles  
Tri-Counties Association of Realtors  
U.S. Green Building Council  
Valley Economic Alliance  
Valley Economic Development Center  
Valley Industry & Commerce Association  
Valley International Trade Association  
We Care for Humanity  
West San Gabriel Valley Association  
Western Manufactured Housing Association  
Western States Petroleum Association  
Young Professionals in Energy - LA Chapter  
Youth Business Alliance

**Minority Organizations**

Asian American Business Women Association  
Asian American Economic Development Enterprise  
Asian Business Association  
Council on Trade and Investment for Filipino Americans  
Filipino American Chamber SEC  
Greater Los Angeles African American Chamber  
Los Angeles Latino Chamber  
Los Angeles Metropolitan Hispanic Chamber  
Regional Black Chamber - San Fernando Valley  
Regional Hispanic Chamber  
Society of Hispanic Professional Engineers - Los Angeles  
South Asian Business Alliance Network  
Southern California Minority Supplier Development Council Inc.  
Vietnamese American Chamber

**Business Improvement Districts**

Gateway to LA  
South Park Stakeholders Group  
Warner Center Association  
Westwood Village Improvement Association

April 20, 2015

Ms. Mary Nichols

Chairman, California Air Resources Board

PO Box 2815

Sacramento, CA 95812

**RE: INITIAL COMMENTS ON PATHWAYS DISCUSSION DRAFT**

Dear Chairman Nichols:

On behalf of BizFed - the Los Angeles County Business Federation, a grassroots alliance of more than 130 top business organizations representing nearly 268,000 businesses with more than 3 million employees throughout Southern California, we appreciate the opportunity to provide initial comments on the California Air Resources Board's (CARB) Sustainable Freight Pathways to Zero and Near-Zero Emissions Discussion Draft (Pathways discussion draft).

BizFed members and coalition partners represent Southern California's broader business community. Our diverse group is comprised of major regional business entities and associations, whose members include large and small employers, minority business owners, and job creators from a wide range of industries, including goods movement and freight companies in the trucking, warehouse, railroad, shipping, and distribution sectors. Through this letter, BizFed members and partners wish to convey their shared support for the thoughts and concerns expressed here related to the Pathways discussion draft.

We are happy to see that Staff recognizes that freight transport "is a major economic engine for [the] State", is a complex interconnected "system of systems", and that it "must remain profitable in the face of increasing competition... ." We look forward to continuing to work with CARB and the other state agencies, and we respectfully request consideration of the following items:

1. The discussion draft warrants appropriate public discussion and process. Our understanding is that the staff would like to finalize the Pathways discussion draft shortly after the Board hearing on April 23<sup>rd</sup>. We encourage the Board to direct staff to, in fact, instead discuss the draft with affected stakeholders during workshops and, if requested, private meetings with affected goods movement sectors before this discussion draft is finalized. We respect that the discussion draft is an initial step to the development of the larger multi-agency and integrated Sustainable Freight Strategy. However, since language in the discussion draft makes clear its uses and indicates the document will be used to direct immediate and near term actions by CARB and that it will be used to inform other ongoing discussions, including the

SIP and the next update of the Scoping Plan, the importance of this discussion draft should not be understated. Considering this, and the fact that the Pathways discussion draft was only first released on April 3<sup>rd</sup>, it is reasonable to believe that additional time for stakeholder and industry input is needed before finalizing the document.

2. Issue the Technology Assessments before proceeding further. In 2014, CARB indicated in several venues that the technology assessments would “**lay the framework** for identifying and prioritizing the next steps, including accessing and leveraging funding, near-term implementation strategies, and longer-term actions that could be included as measures in upcoming SIPs” (Scoping Plan Update, page 52, emphasis added). Industry has always supported this position, and we believe that CARB has not laid the technical framework for either the Pathways discussion draft or its upcoming SIP planning and Sustainable Freight efforts. We ask the Board to direct Staff to issue drafts of all of the technology assessments before finalizing the Pathways document and/or proceeding with SIP planning and Sustainable Freight efforts.
3. Developing a truly effective integrated Sustainable Freight Strategy requires a multi-agency approach and sound economic analysis. The Pathways discussion draft only represents CARB’s vision, which is focused solely on reducing emissions and the impacts of air pollution. However, in the Pathways document CARB itself recognizes that its vision is just one leg of the stool needed for an integrated statewide Sustainable Freight Strategy. Input from other agencies such as the Energy Commission, CalSTA, and Go-BIZ is equally important. And, economic rigor will need to be applied throughout the process of developing potential strategies and solutions. With this in mind, shipping, logistics, and supply chain industry partners have been calling for CARB and the other agencies to provide the resources necessary to conduct an independent economic analysis. Economic sustainability for the goods movement industry must be a co-equal consideration in the development and use of the Sustainable Freight Strategy if it is to succeed and meet its goals. We strongly urge CARB to proactively enter into an agreement with GO-Biz, or some other competent entity, to complete a full economic analysis. Given the economic importance of this sector to the state, it would seem this is a logical and essential step before any emissions plans or strategies impacting the sector could be considered feasible or appropriate.
4. Concern with declining facility emissions caps and data collection. Since industry does not expect that zero or near-zero emission technologies will be available in the near or intermediate term, were that to be the case, it seems that the only way to comply with a declining emissions cap would be to reduce business activity and move fewer goods – and this is deeply concerning to us. It would seem that any approach based on capping or reducing sector growth is inconsistent with the economic goals stated in the discussion draft itself. Further, given the importance of the goods movement system to the state economy, and especially to the Southern California regional economy and the fact that a declining cap regulation could seriously impact many of the critically important middle class jobs provided by this sector, any serious consideration of this approach warrants thorough economic analysis and careful consideration.
5. More Public Resources and State Incentives Are Necessary. The CARB needs to provide new and robust resources for incentives to achieve the sustainability goals contemplated in the discussion draft. These proposals exceed our current baseline private and public funding

profiles of the trade and freight sector infrastructure. As a result, these efforts will not be successful without identifying new sources of public funding to help finance these improvements. Such state contributions and participation in funding could likewise off-set the economic costs of non-competitiveness in trade and hopefully avoid the creation of substantial additional California-only environmental compliance costs. We are particularly concerned that CARB only proposed revising the existing incentive programs and did not suggest AB 32 funding for this preeminent policy objective for California.

In addition, currently, the only technologies that qualify for incentive funding are those that are part of the staff transformational view of the level of reductions needed. However, in many, if not most cases, these technologies are not available today. The Board should direct the staff to change the funding criteria so that they can also invest in transitional technologies which are available today, will provide real emissions and risk reductions, and which will not impede the introduction of these zero and near-zero technologies that are on or over the horizon. Such a portfolio approach to incentives closely parallels the process the CARB has used in the implementation of the ZEV program over the past 20 years.

6. Change CARB's inventory growth projection methodology. CARB's current inventory and growth projections are both unrealistic and inaccurate for several sectors. For example, the projected number of TEUs is grossly inaccurate (too high), the TEU growth rate is not supported by the most recent decade of activity, and the data from the last decade shows that there is no correlation between ship emissions and number of TEUs. Given some future year locomotive and truck emissions are projected based on TEU growth, CARB should amend its forecasts and, for some sectors, change its inventory methodologies.
7. CARB should prepare written modeling protocols. On page 15, CARB states "[b]ecause ozone formation is a complex, non-linear process, photochemical modeling of freight-related emissions is needed in order to estimate the health impacts associated with ozone exposure. This modeling is planned for the summer of 2015, and the health impacts of freight-related ozone exposure will be estimated at that time." We recommend CARB prepare written modeling protocols for this effort, engage with public stakeholders, and receive and respond to comments.
8. Land Use. Land use planning and decision making in California involves very elaborate governmental processes that are highly evolved and leave important amounts and types of authority with the cities and counties. Local governments must comply with the numerous state legislative provisions and rules of the state agencies that are already amply involved in how development occurs in California. A major part of the general plan and development process surrounds addressing any potential environmental impacts, including air quality and climate change. Thus, it is unclear, and raises numerous concerns, as to why the Pathways document seems to indicate the need for centralized mandates in the field of land use. It also implies an attempt to usurp authority away from local control.
9. The final Pathways Report should include a thorough discussion of legal authorities. The Pathways discussion draft recognizes that CARB lacks authority to adopt and carry out several of the listed measures. It is not clear that CARB can or should obtain additional legal authority. It provides for several measures that are contingent upon CARB's inability to obtain additional authority. However, the discussion draft omits any discussion of the authorities of CARB, EPA, the air districts or any other agencies that might play a role in developing and implementing the

Sustainable Freight Strategy. The final Pathways report, as well as all future Sustainable Freight Strategy reports, should include a thorough discussion of legal authorities -- present and future -- contemplated by the plan. CARB should provide a full opportunity for public comment on the legal authority component and a chance for the Board to review that important aspect of the plan.

10. BizFed members and its coalition partners reserve all their rights. Our members and coalition partners have a vested interest in environmental regulatory activity conducted by CARB, and we have worked within the framework of the existing agency structure, function and authority for many years. It is complex and contains a number of important checks and balances, such as the basic protections of the Commerce Clause of the US Constitution and a number of overriding federal laws aimed at protecting and enhancing interstate and international trade and commerce. Accordingly, we reserve all of our rights and remedies with respect to the plan, including our right to seek review in available state and federal forums.

Again, thank you for the opportunity to provide these comments. BizFed, along with its members and coalition partners look forward to working with CARB to further understand the details of the options presented in the Pathways discussion draft.

Sincerely,



MC Townsend  
BizFed Chair  
Regional Black Chamber -  
San Fernando Valley



David Fleming  
BizFed Founding Chair



Tracy Rafter  
BizFed Founding CEO  
IMPOWER, Inc.