

April 26, 2023

Chair Liane Randolph  
California Air Resources Board  
P.O. Box 2815  
Sacramento, CA 95812

Subject: Comments on Proposed Advanced Clean Fleets Regulation

Dear Chair Randolph,

Thank you for the opportunity to provide input on the California Air Resources Board's (CARB) Proposed Advanced Clean Fleets Regulation (ACF) drayage requirements to achieve a zero-emission truck fleet in California.

The Port of San Diego (District), the fourth largest port in the state, manages thirty-four miles of waterfront comprising over 14,000 acres of tidal and submerged lands in San Diego Bay. As an administrator of the state tidelands of San Diego Bay, the District is responsible for providing economic vitality and community benefit through a balanced approach to the maritime industry, tourism, water and land recreation, environmental stewardship, and public safety. As a result, the District's jurisdiction consists of two maritime cargo terminals (the Tenth Avenue Marine Terminal [TAMT] and National City Marine Terminal [NCMT]), two cruise ship terminals, twenty-two public parks, a Harbor Police Department, visitor-serving facilities and businesses, and natural resources.

### **Alignment of State and Regional Goals**

As part of the District's ongoing commitment to the environmental care of San Diego Bay and surrounding communities, the District is taking a bold step to transition to zero emission (ZE) heavy-duty cargo trucks, with the adoption of the Maritime Clean Air Strategy (MCAS). The MCAS sets ambitious goals to advance zero emission trucks which transport cargo to and from our marine cargo terminals to 40% of calls in 2026 and 100% of calls by 2030.

Understanding that zero emission trucks will require infrastructure, the District is the first agency in the San Diego region that has issued a Request for Proposals to develop property for heavy-duty truck charging. District staff conducted stakeholder outreach with various groups such as the AB 617 Portside Communities Steering Committee, the Barrio Logan Community Planning Group, the District's Maritime Stakeholder Forum, Caltrans, SDG&E, and the National City Council Staff anticipates the Board of Port Commissioners will conduct a hearing to make a selection for a vendor to by the end of 2023.

### **Proposed Refinements to Increase Compliance**

The District is supportive of a regulation that will meaningfully assist in the transition to zero emission vehicles visiting its terminals and proposes refinements to make the measure more effective:

- Section 2014.1(a)(1)(B)  
The requirements and compliance provisions outlined in Section 2014.1(a)(1)(B) require a drayage truck to visit a seaport once per year otherwise it will be removed from the CARB Online System. This may restrict the drayage fleet in times of a surge in cargo or the emergence of new business opportunities. Thus, the District requests that Section

2014.1(a)(1)(B) be removed and only trucks that reach their minimum useful life thresholds be removed from the CARB Online System.

- Section 2014.1(a)(7) and Section 2014.1(a)(8)  
The reporting requirements outlined in Section 2014.1(a)(7) may be burdensome for Seaport Terminals and Authorities. Many types of Class 7 and/or 8 trucks, including dedicated use trucks such as auto carrier trucks and/or trucks that operate with Power Take-Off (PTO) Units, transport freight to and from the District's marine cargo terminals. As these dedicated-use trucks are exempted from the Drayage requirements and from entering information into the CARB Online System, reporting requirements for Seaport Terminals and Authorities may require staff to manually distinguish between the two types of trucks. Instead, requiring all Class 7 and Class 8 trucks that visit California seaports to register in the CARB Online System would streamline the determination of which trucks need to abide by the drayage requirements. Therefore, the District suggests modifying Section 2014.1(a)(8) so that all class 7 and class 8 trucks which visit a California seaport must register in the CARB Online System and indicate whether they are drayage trucks or dedicated use trucks.
- Infrastructure Needed  
Following many conversations with fleets and independent owner-operators which transport freight to and from our marine terminals, the District is troubled by the lack of publicly available infrastructure for truck operators who will not have the ability to utilize private stations for charging and refueling zero emission trucks. With implementation of the regulation set to begin in 2024, the absence of charging and/or hydrogen refueling stations will impede adoption of zero emission trucks for smaller fleets which require the use of public stations. These fleets may choose to leave drayage service at seaports altogether leading to a smaller supply of truck operators to service California's ports and goods movement supply chain. While the District continues to work with CARB, the California Energy Commission, and regional partners to advance the development of publicly available stations, the District urges targeted investment in the San Diego region to progress the development of zero emission infrastructure to support small fleets and independent operators.

### **Assistance to Truck Owners/Operators**

Navigating the ACF regulation may be daunting for typical truck operators that visit ports and technical assistance should be offered to truck operators who transport freight to and from the California's marine terminals. This assistance may help fleets comply with ZE regulations and better position themselves for funding opportunities. CARB should allocate resources to assist truck operators with, but not limited to, the following areas:

- Understanding California's proposed regulations surrounding ZE adoption
- Providing education and training on characteristics of ZE trucks
- Preparing ZE truck procurement and transition plans
- Navigating the ZE truck funding and incentive landscape
- Conducting total cost of ownership and other technical analyses
- Determining infrastructure needs

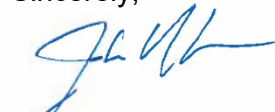
Additionally, the higher initial capital cost of BETs, as compared to diesel trucks, is one of the main barriers to entry for truck operators. Traditional incentive programs need to be updated and accessible to meet this need equitably. The District estimates the cost to convert the trucks which

perform the most calls to our terminals is between \$49M to \$87M. For comparison, the District's annual maritime business revenue is approximately \$40M.

While the upfront costs of this transformation are tremendous, robust, and focused funding from state partners, such as CARB, will allow a transition of this magnitude to move forward. When approving the ACF, please **emphasize a more equitable distribution of new funding, focused on underserved ports and portside communities**. The goals of economic sustainability and environmental health are achievable, but an equitable distribution of resources makes the difference.

The District appreciate CARB staff's willingness to meet with our staff and we look forward to continuing our collaboration to advance our shared goals. Thank you for the opportunity to provide feedback, and please contact my office with any additional questions or for additional information.

Sincerely,



Job Nelson  
Vice President, Strategy & Policy