PACIFIC MERCHANT SHIPPING ASSOCIATION

November 16, 2023

Liane Randolph, Chair
California Air Resources Board
1001 “I” Street
Sacramento, California 95814
Submitted electronically to the November 16, 2023 Board Meeting docket.

<u>Comments on Proposed FY 2023-24 Funding Plan for Clean Transportation Incentives</u>

Dear Chair Randolph,

On behalf of the members of the Pacific Merchant Shipping Association (PMSA), we appreciate the opportunity to submit these comments on the Proposed FY 2023-24 Funding Plan for Clean Transportation Incentives. PMSA represents marine terminal operators and ocean carriers operating at U.S. West Coast seaports. PMSA members own and operate heavy duty off-road equipment that is regulated by the California Air Resources Board (CARB).

The Legislature appropriated over $480 million for heavy-duty vehicle and off-road equipment investments, with $28.6 million of the budget directed to the Air Quality Improvement Fund (AQIF). Staff have proposed to split this AQIF budget to fund both the Innovative Small e-Fleets Pilot (ISEF) and Clean Off-Road Equipment Voucher Project (CORE), with 97% of the Funding Plan being proposed for buses and trucks, with just 3% going towards heavy-duty off-road equipment and engines.

We would respectfully request that **the total $28.6 million in AQIF funding be directed to CORE.** What funds are available should be fully accessible by equipment owners and operators through CORE, the only CARB fund in the Funding Plan specified for commercialized heavy-duty equipment and harbor craft, with the agency offering at least three funding programs for trucks and buses. This recommendation is important to ensure that equipment fleets have access to the relative small portion of public funding allocation.

In addition, CARB staff are proposing to discontinue vouchers for specified CORE equipment categories which all operate at the ports. These include cargo handling equipment, locomotive engines and commercial harbor craft. These categories are all individually regulated by CARB and there is limited timing ahead of compliance deadlines to secure public funds. By contrast, many of the equipment categories proposed for funding emit relatively less emissions, including transportation refrigeration units, large forklifts and airport ground support equipment. As a /result, these priorities do not align with total emission reductions and cost effectiveness. We would recommend that the Board reprioritize its funding allocations and guidelines for this FY Funding Plan based on total emission reductions and cost effectiveness.

While CARB proposes to move "to increasingly focus on supporting small businesses and fleets," this secondary policy focus should not come at the expense of every other business in the state by full exclusion. If marine terminal operators - who are not small businesses - are ineligible to apply, much of the equipment operated at ports will not be funded, and the communities located in nonattainment basins near the ports throughout the state will not secure the benefits of public air quality funding as intended by their inclusion in the funding by the Legislature. We would recommend that this be revised such that a portion of the funding be made available for small businesses, rather than excluding any other applicants.

We appreciate the opportunity to provide these comments on the FY 2023-24 Funding Plan for Clean Transportation Incentives. Should you have any questions, please contact me to discuss these or any other concerns.

Respectfully,

Jacqueline M. Moore

Jacqueline M. Moore
Vice President