



August 18, 2021

To: Andrea Morgan
Lisa Macumber

Submitted via email

Re: Comments on the Fiscal Year 2021-22 Funding Plan for Clean Transportation Incentives

Dear Ms. Morgan:

Our organizations respectfully submit this comment letter in response to the California Air Resources Board's (CARB) proposed fiscal year 2021-22 funding plan for Clean Transportation Incentives. Overall, we are very pleased to see the large allocations of funding for zero-emission technologies. Our analysis of our air quality, climate and public health challenges have led us to the conclusion that we need to move to zero-emissions to address this triple threat of pollution.

We would like to highlight the significance of the historic funding commitment of \$3.9 billion by the California State Legislature over the next three years for zero-emission technology and infrastructure. This allocation shows that the Legislature recognizes that California needs to move towards zero-emissions, and we hope that ARB will continue its leadership on this front.

In terms of the funding plan, we are very happy to see the significant investments in the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) for large-scale zero-emission deployments of 1,000 school buses, 1,000 drayage trucks, and 1,000 transit buses, which will be critical to spurring more widescale adoption of these technologies. HVIP has been an important tool in advancing zero-emission technologies, and we generally support the recommended efforts to target those vouchers to be consistent with priorities for regulatory zero-emission mandates and to support maximum deployment in environmental justice communities.

In particular, the \$400 million investment for zero-emission school buses over the next three years will help school districts clean up their fleets and improve student, driver, and community health. Funding for large deployments of zero-emission drayage trucks will also be critical in helping to address the dirty air crisis in portside communities, and will support achieving 100% zero-emission drayage trucks by 2035 under CARB's Advanced Clean Fleet

Rule. Finally, we support the funding for 1,000 zero-emission transit buses to assist local transit agencies in transitioning to zero-emission operations.

CARB's desire to increase the use of HVIP funds by smaller fleets, particularly in drayage operations, is commendable and consistent with the above objectives. We would just caution CARB to be mindful of the rampant misclassification of drivers in this industry. CARB should ensure that any proposals to fund smaller fleets or independent drivers are not inadvertently reinforcing this illegal practice. CARB should use common ownership and control to accurately define whether trucks should properly be treated as part of a larger fleet, and should not reward fleets that flout labor laws. AB794 provides useful criteria for ensuring that incentive funds are not provided (directly or indirectly) to bad actors.

We also support CARB's proposal to require Zero-Emission Powertrain Certification (ZEP Cert) for HVIP vehicle eligibility. As CARB outlines, to transition to widespread adoption of zero-emission trucks and buses, it will be important to reduce the variability in the quality and reliability of such vehicles, ensure information regarding such vehicles and their powertrains are effectively and consistently communicated to purchasers, and accelerate progress towards greater vehicle repairability. We agree that the technology has matured to the point where such certification requirements are reasonable and these requirements are important to addressing key barriers to adoption.

In the next draft of the funding plan, we would like to see specific funding to support deployments of zero-emission electric refuse trucks, zero-emission transportation refrigeration units (TRUs), and zero-emission off-road equipment. Refuse trucks and TRUs are highly polluting heavy-duty vehicles that emit significant pollution in all of our communities, but have especially negative impacts on disadvantaged communities burdened by crisscrossing layers of pollution from multiple sources. There are several zero-emission refuse truck models in production or close to being in production, including from Mack, Peterbilt, Daimler, BYD, and Lion. Yet, we continue to hear from some that zero-emission refuse technology is not ready. Including designated funding for demonstrations and medium-sized deployments of zero-emission refuse trucks will give municipalities the opportunity to begin to transition their fleets to zero-emission trucks.

Likewise, TRUs pose considerable public health risks to Californians and make it more challenging for the State to attain our air quality goals and mitigate climate change. Since this industry sites its facilities in communities, it is imperative that we clean up this equipment as soon as possible to reduce the health consequences from this pollution. We recognize that the CARB will be passing the first half of a regulation later this year to shift a portion of TRU equipment to zero-emissions, so we ask that the focus of this expenditure be towards equipment that is not covered by the zero-emissions mandate of this regulation. Specific funding for deployment of zero-emission TRUs will help clean the air in our communities.

In addition, we remain concerned about the lack of funding for zero-emission off-road projects statewide. The pandemic and the rise of e-commerce has meant that communities – particularly those near our freight hubs – have faced additional burdens from the freight industry.

We remain concerned that our publicly operated ports and other operators of freight hubs (i.e., railyards and warehouses) are not doing enough to clean up all categories of pollution. Electrification of rail, harbor craft, cargo equipment, and ships is particularly lagging. We need the State to allocate funds to advance zero-emission technology development in these categories. In addition, CARB should advocate for large freight entities like ports to use funds collected from the Beneficial Cargo Owners and other beneficiaries of freight movement for the development of zero-emission technology.

We appreciate staff's time and effort in ensuring the legislature's historic zero-emissions funding commitment supports a speedy and just electrification transition. We want to thank staff for their efforts in preparing the proposed plan, and for their continued commitment to cleaning the air for Californians.

Sincerely,

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