



October 5, 2022

Liane M. Randolph
Chair, California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Support for a Stronger Advanced Clean Fleets Rule

Dear Chair Randolph and Members of the Board:

The California Labor Federation and California Teamsters Public Affairs Council urge the Board to adopt a modified version of the Accelerated ZEV Transition Alternative (Accelerated Alternative) set forth in the Initial Statement of Reasons (ISOR) to prevent the misclassification of drivers and potential evasion of the rule. Any loopholes that allow companies to evade the requirements by contracting out or misclassifying undermines the intent of the rule and slows the state's progress on climate goals.

Diesel trucks are one of the world's fastest growing sources of greenhouse gas emissions, and in California, they are the largest source of smog-forming NOx pollution. Diesel trucks are also the biggest source of air pollution disparity in the United States – their toxic emissions concentrate most heavily in low-income communities of color. The expansion of warehouses and freight corridors across our state, and the diesel trucks that frequent them, are one of California's starkest forms of environmental injustice.

The ability of the state to meet climate goals depends in large part on truck fleet purchasers transitioning to zero emissions vehicles. Truck drivers move almost half of the nation's container imports out of the Ports of Los Angeles and Long Beach. Heavy-duty vehicles, like those used at the ports, emit a fifth of all transportation related GHGs and are a key target for transition to clean vehicles.

The misclassification of drayage and short-haul truck drivers creates a roadblock to these emission reduction goals. Misclassification is rampant in the drayage trucking sector with academic studies suggesting that between 75% and 85% of workers likely meet core misclassification criteria nationally. Trucking companies intentionally misclassify drivers and shift the cost of truck ownership, maintenance, and operations to drivers. Misclassified drivers earn low wages without overtime or other benefits yet must pay for all trucking expenses.

Past efforts to reduce drayage truck emissions have demonstrated that requirements for technology upgrades can have devastating impacts on truck drivers when the burden is put on drivers, or when regulations contain loopholes to perpetuate misclassification.

The 2008 Clean Truck Program at the Ports of Los Angeles and Long Beach final policy was a mandate for new expensive clean trucks, without protections for misclassified drivers. Trucking companies took advantage of over \$280 million in public incentive funds to purchase new trucks and then turned around and leased the trucks to their drivers. Many drivers became trapped by these predatory leases and had to work around the clock to keep up with truck payments and all the other costs – like fuel, insurance, maintenance, and more. The truck drivers least able to buy and maintain clean vehicles disproportionately bear the financial burden of attaining the state's climate goals in this sector.

The California Air Resources Board (CARB) Staff's own report found overwhelming benefits with a stronger Advanced Clean Fleets rule that includes reducing the fleet threshold to prevent evasion of the rule through misclassification and contracting out. **We urge the Board to adopt a modified version of the Accelerated ZEV Transition Alternative (Accelerated Alternative) set forth in the Initial Statement of Reasons (ISOR):**

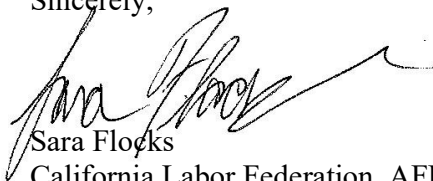
- Require 100% zero-emission vehicle sales by 2036 (instead of 2040).
- Take two actions to further reduce toxic emissions from Class 7 and 8 tractors:
 - Move Class 8 Sleeper Cabs from Group 3 to Group 2 vehicles in the High Priority Fleets Rule so that all Class 7 and 8 tractors are subject to the same transition schedule beginning 2027 (instead of 2030); and
 - Lower the High Priority Fleet threshold for Class 7 and 8 tractors from 50 to 10 trucks.

The Staff Report confirms that by shifting the proposed 100% sales requirement from 2040 to 2036 and strengthening purchase requirements for the most heavily polluting Class 7-8 vehicles, the Accelerated Alternative delivers an *additional* reduction of 41 tons-per-day of NOx on top of the reductions already expected from staff's proposal. The "Accelerated Alternative" delivers an additional \$500 million in net cost savings because even without incentives, zero-emission trucks are cheaper to own over their life than their diesel counterparts, due to savings from avoided fueling and maintenance costs.

The Accelerated Alternative extends crucial protections to more drivers that face exploitative misclassification within the trucking industry by ensuring that *controlling companies* absorb the cost of transition, not exploited, misclassified drivers who are often immigrants and workers who also live in the communities most impacted by greenhouse gas emissions and climate change. CARB has done great work to include common ownership language in the rule. We urge the Board not to undermine this language by exempting key segments of industry where misclassification will again proliferate.

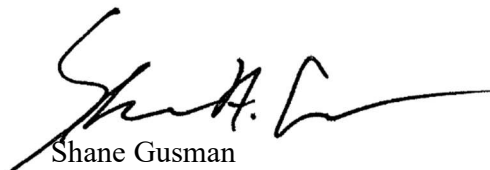
In light of the compelling technological and economic advancements in the zero-emission truck market, the outsized benefits for public health and climate action, the increased protection for truck drivers and environmental justice communities, and the substantial new investments from the state and federal government for zero-emission trucks, we urge you to adopt the strongest possible Advanced Clean Fleets rule.

Sincerely,



Sara Flocks
California Labor Federation, AFL-CIO

SF: sm
OPEIU 29 AFL CIO



Shane Gusman
California Teamsters Public Affairs Council