



June 25, 2020

Mary Nichols, Chair, California Air Resources Board
1001 I Street Sacramento, CA 95814

RE: Support for a Strong Advanced Clean Trucks Reporting Requirement

Dear Chair Nichols and Members of the California Air Resources Board,

We are writing to urge your support for the Advanced Clean Trucks Rule and specifically the updated Reporting Requirement. We are encouraged that staff, Board Members, and agency leadership have come to see the climate, environmental justice, and economic benefits of a well-developed Reporting Requirement. The Requirement before the Board this June is one that will produce a sound, data-driven basis of industry activity for developing zero emission fleet rules. It is imperative that the rule as written not be weakened.

The Center on Policy Initiatives has been focused on economic justice across all of the communities we work within. Moreover, we work to ensure workers and their families who live and work in our portside communities in San Diego are uplifted and have the best opportunities for prosperity, health, and economic security. Along with our partners at the Environmental Health Coalition, we help to ensure that workers' voices are uplifted in policies that will likely directly impact these workers and their families. Therefore, we believe it is important for California Air Resources Board members to hear those voices and stand with us.

We understand the goals of the Reporting Requirement to be the following:

- Prepare the State to convert heavy-duty fleets to zero-emission technology;
- Inform forthcoming Fleet Rules by developing a comprehensive dataset of present-day patterns of industry activity; and
- Illuminate key barriers to electric truck adoption and thereby enable compliance with Fleet Rules, especially in trucking subsectors slated for near term electrification (i.e. drayage, package delivery, refuse, etc.).

Given these overarching goals, we need to require and collect data regarding trucking contractors. Consider the following key points:

- Contract truck drivers are an exploited sub-segment of the trucking industry, concentrated in trucking subsectors slated for near term electrification (i.e. drayage, package delivery, and long-haul).
- Trucking companies, brokers, and other contracting entities often misclassify drivers as 'independent contractors' when they are, by law, employees. Businesses misclassify workers in a well-documented, intentional, and illegal scheme to avoid paying wages, benefits, and costs of equipment, taxes, and regulatory compliance costs.

- Contractors operate 70%-90% of drayage trucks in California, with high rates of misclassification. A large majority of drayage firms operate less than 100 trucks.
- As low-income workers, contract truck drivers face high compliance costs and barriers. As a result, they maintain the lowest rates of compliance with existing vehicle standards (e.g. the Truck and Bus Rule) of all trucking companies operating in California.
- Toxic emissions from contractor-driven trucks disproportionately burden environmental justice communities around ports, warehouses, and freight corridors. The contractor trucking segment contributes a disproportionate share of PM 2.5 to California's air.

To address the contracting barrier to clean truck adoption, environmental and labor advocates have developed numerous common-sense recommendations for improving the Reporting Requirement over the last year. These included clarifying definitions within the rule, clarifying terms under which contracting companies report information, and right-sizing the class of entities that should be required to report. With the data presently called for in the final draft, we expect that the Reporting Requirement will collect sufficient data for the purpose of CARB's development of fleet rules that enable industry transition to zero emission trucks.

We urge you to remain steadfast in the face of opposition to the absolutely necessary and basic goals of the ACT Rule and updated Reporting Requirement. California's communities, climate goals, and workers depend upon it.

Sincerely,

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