

October 26, 2022

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Chair Randolph and Members of the Air Resources Board:

We are a coalition of organizations from across the environmental, labor, and social justice movements, united by our commitment to a transition to clean, renewable energy and mobility that centers workers and communities.

We write to you today because we believe we have identified an important opportunity to leverage the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program's (HVIP) marketplace power to the great benefit of workers and communities in California, across the country, and around the world. Further, we invite you to discuss a series of policy proposals with us which would amend HVIP's implementation procedures to help bring about major benefits to workers who build low- and zero-emission vehicles while promoting socially and environmentally sustainable manufacturing practices.

We believe these benefits are possible through a version of the U.S. Jobs Plan, a widely used, customizable policy tool which empowers government agencies to ensure their purchases create and sustain good jobs. As one of the largest zero-emissions vehicle incentive programs in the world, HVIP is uniquely situated to use the U.S. Jobs Plan to maximum effect. We believe the U.S. Jobs Plan framework can also be extremely valuable in promoting a socially and environmentally sustainable transition to zero-emissions transportation.

To that end, we would like to suggest that CARB adopt the following recommendations as changes to its HVIP Implementation Manual:

1. New and expanded definitions of key terms
2. Update the Vendor Eligibility Application to include commitments to the creation or retention of a minimum number of production jobs per specified dollar amount, minimum commitments to wages, benefits, training investment and targeted recruitment to workers from disadvantaged communities, lifecycle emissions, use of recycled materials, plans to maximize potential for reuse and recycling of batteries, and responsible procurement of minerals
3. Expanded appendix to include quarterly reporting requirements on job and environmental commitments along with corrective action steps for non-compliance
4. Updated proposal scoring criteria with incentives for robust and thoughtful workforce and environmental commitments.

Please find attached our proposed policy changes to the HVIP Implementation Manual which would effectively incorporate a U.S. Jobs Plan framework to promote good, family-sustaining, California jobs, recycling, and sustainable mining practices. We hope we may soon meet with CARB staff to discuss our proposals in greater depth and further explain the benefits of such policy changes.

Further information on the successful implementation of the US Jobs Plan at public agencies across the country can be found at the [Jobs to Move America website](#) with tools and resources for incorporating the USJP.

Thank you for your attention to this. We would like to schedule time to discuss these suggestions and their possible incorporation into HVIP's procedures. Should you have any questions please contact Aidan Geronimus at ageronimus@jobstomoveamerica.org.

Sincerely,

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California Director
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Additional signatories on following page.

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CC: Andrea Morgan, Mobile Source Control Division
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(See enclosure on next page.)

Proposed Changes to the California Air Resources Board (“CARB”) Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (“HVIP”) [Implementation Manual](#) to Require Manufacturers to Provide California Jobs and Environmental Plan Information

In order to create incentives for socially and environmentally responsible manufacturing, including the creation of good manufacturing jobs with inclusive hiring and training practices and the use of sustainable supply chain practices, we propose the following provisions be included in the HVIP implementation manual for future rounds of funding:

A. Add the following definitions:

1. “Supplier” refers to a company that sells vehicles or component parts of vehicles to an OEM or a Supplier. A “major supplier” is a supplier that represents at least 5% of the value chain of a vehicle.
2. “California Jobs and Environmental Plan” (CJEP), is a component of the documentation submitted during the eligibility application process and shall be used to determine certain plus-ups and deductions from the base incentive amount. It refers to the information submitted by manufacturers in which OEMs or Suppliers state the minimum number of jobs; proposed wages, benefits, investment in training; targeted hiring plans for displaced workers and individuals facing barriers to employment for jobs created or retained in California; lifecycle emissions analysis; use of recycled content; plans to maximize reuse and recycling of battery; and use of recycled or responsibly mined minerals.
3. “Displaced workers” are workers who have lost their jobs in the previous five years due to lack of business, a reduction in force, or other economic, nondisciplinary reason related to a pandemic or to the transition from the fossil fuel industry to renewable energy or electric transportation, and who has not been able to secure a comparably compensated position.
4. “Responsible mineral sourcing” means OEM procurement practices for components and raw materials that enable the OEM to accurately assess and report the social and environmental impact of mined minerals used in the production of the vehicle, and in which the OEM takes active steps to improve the social and environmental impact of the mined minerals used in the production of the vehicle by ensuring that any mined minerals used in the vehicle conform to the highest possible standards of social responsibility (including free, prior, and informed consent, human rights, labor rights, worker and community health and safety, conflict involvement, community engagement and consultation, and cultural heritage) and environmental responsibility (including water management, air quality, greenhouse gas emissions, noise management, protection of ecosystems and biodiversity, and management of toxins including mercury and cyanide). Whenever available, standards and evaluations will conform to those of the Initiative for Responsible Mining Assurance (IRMA).

B. Revise the HVIP Implementation Manual, Appendix B1 (New Zero-Emission Vehicle/Zero-Emission Commercial Vehicle Conversion Eligibility Application, or “Vendor Eligibility Application”), Part 1: Vehicle Manufacturer Information, to require manufacturers (or “applicants,” or “OEMs”) to provide the following commitments (“California Jobs and Environmental Plan commitments”):

1. The minimum number of full-time equivalent permanent jobs in production occupations to be retained and created per 10 vehicle sales;
2. The minimum wage levels by job classification;
3. The minimum amounts that will be paid for fringe benefits by job classification;

4. The minimum amounts that will be paid for worker training by job classification; and
5. Information on recruitment and training programs targeted specifically towards individuals facing barriers to employment and displaced workers.
6. Lifecycle emissions analysis of vehicle.
7. The minimum percent total values of recycled content in chassis, body, battery, and motor along with the total value of each of these components.
8. A plan to maximize reuse and recycling of traction battery at end of use in vehicle.
9. A plan to purchase motors manufactured using recycled (first priority) or responsibly-mined (second priority) copper and batteries using recycled or responsibly-mined lithium, nickel, and cobalt, according to the standards and assessments established by the Initiative for Responsible Mining Assurance.

Further revise this Appendix and Part to require manufacturers to:

1. Provide quarterly reports regarding compliance with their California Jobs and Environmental Plan commitments on forms provided by CARB, and their progress toward meeting those commitments; and
2. If any such report indicates that the manufacturer has failed to achieve its California Jobs and Environmental Plan commitments, CARB shall notify the manufacturer of their noncompliance and the, time frame within which compliance must be met. Failure to comply with their commitments within the given time frame shall result in forfeiture of the entire value of the voucher.

Further revise this Appendix to: encourage manufacturers to provide California Jobs and Environmental Plan commitments from its Major Supplier(s), require Dealers to certify that the California Jobs and Environmental Plan information provided for each manufacturer and Supplier is accurate, and provide penalties for inaccuracies.

C: In Part "C. VOUCHER REQUIREMENTS," add a new section:

"7. California Jobs and Environmental Plan

For each CARB-certified vehicle, CARB will score the manufacturer's California Jobs and Environmental Plan commitments from 0-100 according to a formula which includes comparative assessments of:

1. Economic benefits (50%). The product of FTEs created or retained at each classification and the square of each classification's total compensation (wages plus monetary fringe benefits)
2. Workforce development (10%). The total amount of investment in worker training for employees of the OEM over the 12 month period prior to final delivery of the vehicle.
3. Inclusion (15%). A qualitative evaluation of the OEM's recruiting and training programs targeted specifically towards individuals facing barriers to employment and displaced workers.
4. Environmental sustainability (25%) An integrated evaluation of sustainable manufacturing practices, including the following factors:
 - a. Lifecycle emissions analysis (25%),
 - b. Commitments for percent of total value of recycled content in chassis, body, battery, and motor (25%),
 - c. Qualitative evaluation of plan to maximize reuse and recycling of traction battery (25%), and
 - d. Qualitative evaluation of plan for responsible sourcing of motor and battery minerals and/or reducing mineral use in the vehicle (25%).
5. California regional employment benefits (up to 10% bonus points).

CARB will publish OEMs' CJEP and reports to the CARB website. CJEPs will be published within two weeks of vehicle certification. Reports will be published within two weeks of receipt by CARB."

D. Revise the **HVIP Implementation Manual's Zero-Emission Vehicle (ZEV) Voucher Table** to include plus-ups and deductions based on the California Jobs and Environment Plan Score of the vehicle:

California Jobs and Environment Plan Score (plus-ups and deductions from base)	
90-110	+45%
80-90	+25%
< 70	-25%