

September 19, 2019

Mr. Paul Arneja, Air Resources Engineer
Mr. Craig Duehring, Manager
Mobile Source Control Division
California Air Resources Board
1001 I Street
Sacramento, CA 95814

SUBJECT: Comments on Proposed Advanced Clean Truck Regulation.

We appreciate the opportunity to comment on the proposed Advanced Clean Truck Regulation. The signed below associations all represent a wide variety of agricultural commodities and supporting industries throughout the state. These stakeholders have a vested interest in the movement of goods throughout the state, as well as the regulations that impose restrictions upon that ability. There are several concerns that these industries would like to point out with the proposed regulation, and the future impacts that it will have amongst our industry.

Impact to Industry following Truck and Bus Regulation

The proposed regulation is targeting a set of equipment that has recently been targeted through the Truck and Bus Regulation. The primary mode of transportation of agricultural goods in California utilizes Class 8 Heavy Duty Trucks and fleet owners and small trucking businesses are finding it difficult to gain compliance with the Truck and Bus Regulation due to the engine model year requirements of the Regulation. As a result, many of these smaller operators are already finding it difficult to stay in business.

As a result of the Truck and Bus Regulation, dealerships and truck manufacturers raised the prices on compliant trucks due to the increased demand. We believe that this proposed regulation will also result in higher cost for already expensive equipment.

Renewable Fuel Uncertainty Going Forward

The agricultural industry understands the push to move towards more renewable energy sources. Many of our member businesses have made significant investments in this direction including upgrading their trucks as required by the Truck and Bus Regulation and installing solar stations to offset the significant energy usage during peak seasons. Significant incentive dollars have been identified through the presentation for the proposed regulation, however, incentives available will not meet the need of the number of businesses that will be subject to the rule. Thus, businesses unable to secure incentives would bear the brunt of full priced equipment to meet the standards set in this regulation.

Outside of the equipment and infrastructure costs associated with the proposed regulation, there is concern that the overall price of electricity could have a significant impact on the desire to convert fleets moving forward. Many of our members depend heavily on electricity to power their existing business. With the addition of ZEV's in this proposed regulation, bills associated with energy providers could skyrocket. Currently, PG&E and Southern California Edison are negotiating General Rate Cases in front of the California Public Utilities Commission. The proposed rate increases would have significant cost implications to member facilities that draw large amounts of electricity during peak seasons. Thus, the transition to more electrical energy demand would create an increased financial burden on businesses.

Inability to Pass Along Costs Associated with Regulatory Programs

With every regulation imposed upon the agricultural industry, there are significant costs associated with compliance. Unlike other industries that can simply raise prices to make up the deficit caused by these added costs, the agricultural industry cannot mark-up products as a means to recuperate regulatory investments. The charges associated with electrical infrastructure development as well as the investment to the trucks themselves would be a heavy financial burden unnecessary to these businesses.

Conclusion

We again thank you for the opportunity to comment on the proposed regulation. We understand that the State has set high benchmarks in terms of the renewable portfolio, as well as the reduction in carbon targets associated with AB32. However, this regulation would have a significant impact to businesses in California, and we strongly oppose the proposed regulation in its current form. We look forward to further discussion.

Sincerely,



Chris McGlothlin, Director of Technical Services
California Cotton Ginners & Growers Association
Western Agricultural Processors Association



WESTERN AGRICULTURAL PROCESSORS
ASSOCIATION



Richard Matoian

Richard Matoian, Executive Director
American Pistachio Growers



Casey Creamer

Casey Creamer, President
California Citrus Mutual

AFRICAN-AMERICAN FARMERS of CALIFORNIA



Will Scott, Jr.

Will Scott, Jr., President
African American Farmers of California



Manuel Cunha, Jr.

Manuel Cunha, Jr., President
Nisei Farmers League



Ian LeMay

Ian LeMay, President
California Fresh Fruit Association



California Rice

Timothy A. Johnson, President/CEO
California Rice Commission

CALIFORNIA
STRAWBERRY
COMMISSION

Rick Tomlinson, President
California Strawberry Commission

C A L I F O R N I A



G R O W E R S A S S O C I A T I O N

Mike Montna, President/CEO
California Tomato Growers Association



Renee Pinel, President/CEO
Western Plant Health Association



**California
Agricultural
Aircraft
Association**

Terry Gage, President
California Agricultural Aircraft Association