April 21, 2020

California Air Resources Board

1001 I Street

PO Box 2815

Sacramento, CA 95812

**Subject: Transport Refrigeration Unit Regulation Discussion Draft**

Foster Poultry Farms (Foster) appreciates the opportunity to comment on the proposed Transport Refrigeration Unit (TRU) regulation

Founded in California in 1939, Foster Farms is a family owned food company headquartered in California. Over 90% of our 12,000 employees live in California. As Californians of long-standing, we are committed to improved air quality and support California Air Resources Board (CARB) mission:

“*To promote and protect public health, welfare and ecological resources through the effective and efficient reduction of air pollutants while recognizing and considering the effects on the economy of the state”.*

Foster Farms respectfully requests CARB follow its mission statement by recognizing and considering the effects on the economy of the State, the rising costs incurred by companies operating in California, and the severe challenges facing all California businesses due to the slow economic recovery we can expect from the impact of the worldwide COVID19 pandemic.

Foster Farms owns and operates multiple applicable facilities and trailer TRU’s. Foster Farms believes electric shore power is the most commercially viable trailer TRU zero emission standby alternative. Foster Farms has initiated a project to support zero emission operations at its applicable facilities. Foster Farms, as a socially responsible organization, has and will continue to invest considerable resources towards achieving zero emission stationary TRU operation.

Adoption of the proposed CARB regulation would require Foster Farms to revise current plans and commit considerable resources to develop and implement a SOTL plan within an unreasonable timeline. This regulation would also accelerate TRU retrofit and replacement, would increase staffing to enforce CARB regulations, would drive additional costs in registration fees, and would provide penalties for TRU activity outside the boundaries of Foster facilities.

Specifically, as drafted the proposed regulation raises five main issues:

1. **Capital Investment**--Significant capital investment in retrofitting and replacing TRU’s before their expected life cycle. Significant investment in electrifying all dock doors and installing electrical infrastructure to all applicable facility yards. We have 11 applicable facilities. We have electrified docks at 5 facilities and our first yard infrastructure, with assistance from the CEC FPIP funding, will be completed by the end of 2020.
2. **Timing Requirements--**The aggressive timing of the regulation by requiring all dock doors and yard infrastructure completely installed by 12/31/2023 given that a TRU with a manufacture date of 12/31/2023 or later must operate under the SOTL requirements. This is a very aggressive timeline and much faster than we had planned given we have 11 applicable facilities and our first yard infrastructure will be installed by the end of 2020.
3. **Geo-fencing Requirements-**The proposed regulation holds the applicable facility responsible for all TRU’s operating within 1 mile of the facility. We have multiple facilities within 1 mile of a truck stop, restaurants, and gas stations. The applicable facility cannot control outside carriers and their actions prior to reaching our facility.
4. **Compatibility—**we are unclear whether there will be a standard plug and voltage implemented by all OEM’s. Our customers and hired carriers that pick up at our facility may have a different plug or voltage requirement than our fleet is equipped with. This could also be true for our equipment that will need to be plugged in at our customer’s warehouse.
5. **Registration and Reporting--**The data requirements for not only registering all TRU’s but also the quarterly reporting requirements fall on TRU owner/operators and all applicable facilities which will require additional staffing to register and collect data adding cost that our competitors outside of CA would not incur.

These concerns are outlined in detail below by section numbers.

**Section 2478.7** Revises current compliance schedule by requiring any TRU manufactured before December 31, 2023 be equipped with a level 3 Verified Diesel Emission Control Strategy (VDECS). ***Beginning with model year 2016, Foster Farms trailer TRU’s purchased have zero emission stationary operation capability. This requires Foster to retrofit equipment ahead of seven-year cycle which increases the cost of compliance.***

**Section 2478.10** Establishes the Stationary Operation Time Limit (SOTL) of 15 minutes. Compliance requires on or after December 31, 2023 an applicable facility shall not permit any trailer TRU or TRU Gen set with a manufacture date after December 31, 2023 to operate in a manner that exceeds a SOTL of 15 minutes within an applicable facility. ***This would require infrastructures to be completed at all Applicable Facilities by the end of 2023.*** Compliance requires TRU’s manufactured before December 31, 2023, without a zero emission option, must be replaced by December 31, 2027. ***Foster Farms will be required to replace 300 trailers ahead of current life cycle schedule.*** Compliance also requires facility owners be responsible for TRU’s within one mile of facility boundary. ***The way the proposed regulation is written Foster Farms would also be subject to compliance violations for any TRU’s visiting restaurants, retail locations, and gas stations within one mile of facility boundaries. We have several facilities that sit within one mile of truck stops, restaurants, and gas stations.***

**Section 2478.11** Establishes requirements for collection and transmission of the Electronic Telematics System (ETS). ***Reporting of diesel or electric operational mode requires two-way communication. Transmitting data a minimum of once per minute increases data. These factors increase cost of compliance and limit available compliance options.***

**Section 2478.12** Establishes bi-annual registration requirement for TRU’s owned and operated in California payable to CARB. ***Registration requirement is effective December 31, 2021 creating another competitive disadvantage for California based companies. Competitors based outside of CA would only be required to register the portion of their equipment operating in California.***

**Section 2478.13** Requires applicable facilities register with CARB, provide geofence coordinates, pay registration fees, establishes reporting requirements, and requires facility owners to declare non-compliant TRU’s will not operate within the facility geofence under penalty of perjury. ***Under proposed regulation facility owners are required to collect and report all TRU’s entering applicable facilities. The additional fees and staffing requirements increase cost and competitive disadvantage.***

**Section 2478.14** Establishes applicable facility timelines for both SOTL compliance plan submission and implementation. Compliance plan submission is required by December 31, 2022. Applicable facility plan must include the daily average and daily maximum number of trailer and gen set TRU’s operating within facility boundaries for the prior year. The proposed further provides fully compliant infrastructure must be operational by December 31, 2023. ***Developing and submitting a SOTL compliance plan by 2022 is aggressive. As stated above having all applicable facilities completed with both dock electrification and yard infrastructure is a very aggressive timeline.***

In closing, Foster Farms is committed to improving the air quality in the State of California and the communities we reside in. We ask that you consider our comments, along with the timing and the economic impact of businesses within California when developing the final regulation.

Sincerely.

Tom Bower

Senior Vice President-Supply Chain