



November 12, 2024

Chair Randolph and Members of the Board
California Air Resources Board ("CARB")
1001 I Street
Sacramento, California 95814

Re: Proposed FY 2024-25 Funding Plan for Clean Transportation

Dear Chair Randolph and Members of the Board:

Earthjustice writes regarding the Proposed FY 2024-25 Funding Plan for Clean Transportation Incentives. Initially, we appreciate the thought that CARB staff have put into this proposed plan. These investments can be vital to hasten the conversion to zero-emission technologies. We are concerned, however, about the precipitous drop in funding for this year, which will implicate California's ability to transition vehicles and equipment to zero-emissions. Additionally, the anticipated decrease in federal support reinforces the need for CARB to secure funding for this transition. It is incumbent upon CARB to take every opportunity to garner additional resources to advance zero-emission transportation, particularly for medium- and heavy-duty vehicles.

I. Earthjustice Supports Funding Allocations.

With limited funding this year, Earthjustice supports the proposed allocation of funds to the Innovative Small e-Fleet Pilot Project, the Clean Off-Road Equipment Project, and the Zero-Emission Truck Loan Project. These are three critical programs, and the funds will provide needed relief to communities overburdened by air pollution.

II. CARB Should Engage Law Enforcement to Ensure Manufacturers are not Gouging U.S. Purchasers of Trucks.

Earthjustice remains very concerned about the September 25, 2024 memo from Dr. Cliff to the CARB Board called California Truck Availability Analysis.¹ The September Memo identified a trend where truck prices are going down in Europe, but increasing in the United States, with no clear rationale for the disparity across both regions.² This poses serious issues as public funds from CARB's Clean Transportation Incentives will be diluted by these artificially higher prices. Overcharging for trucks means fewer trucks can be purchased with these public funds, further exacerbating environmental injustices. Given this important public policy issue, we respectfully request that the CARB Board refer this issue to California's Attorney General to investigate any improper conduct related to truck pricing by manufacturers that receive public funds.

¹ The memo can be found at this link: https://ww2.arb.ca.gov/sites/default/files/2024-09/240925_actmemo_ADA_0.pdf (hereinafter "September Memo").

² *Id.* at p.10.

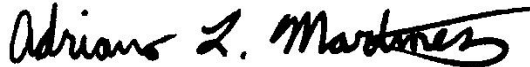
III. The Board Should Ask its Ex Officio Members to Advocate for Stable and Consistent Funding to Advance Zero-Emission Technologies in the Medium- and Heavy-Duty Sectors.

The Funding Plan this year includes significantly less funding than prior years. Given CARB has members of the California Legislature on its Board, it is important for those members to advocate for a stable and consistent funding source, particularly for funds to advance zero-emission technologies for medium- and heavy-duty vehicles. For example, legislation could be pursued to direct a large portion (e.g., 50%) of Greenhouse Gas Reduction Funds (GGRF) to medium- and heavy-duty vehicles and equipment for the next 10 years. We need to get creative on how we expand resources for this conversion given the lower levels of investment in these sectors and the likelihood of experiencing a vacuum of federal leadership in the coming years.

IV. Conclusion

We look forward to continued work with CARB to implement these investments.

Sincerely,

A handwritten signature in black ink that reads "Adriano L. Martinez". The signature is fluid and cursive, with a long horizontal stroke at the end.

Adriano L. Martinez
Deputy Managing Attorney
Earthjustice