



**CALIFORNIA
ALLIANCE
FOR JOBS**

December 22, 2023

SUBMITTED ELECTRONICALLY

The Honorable Liane Randolph, Chair
California Air Resources Board
1001 I St.
Sacramento, CA 95814

Re: Zero-Emission Forklift Rule

Dear Chair Randolph:

The California Alliance for Jobs (Alliance) appreciates the opportunity to comment on the California Air Resources Board's (CARB) most recent version of the Zero-Emission Forklift Rule (ZEV forklift rule) released on November 7, 2023.

The Alliance represents over 2,000 heavy construction companies and 80,000 union construction workers from the Central Valley to the Oregon border. The Alliance is a unique labor-management partnership that advocates for responsible investments in public infrastructure projects. Specifically, the Alliance keeps California's people and economy moving as the state's population grows by focusing on expanding water systems, improving transportation networks, and increasing the access and quality of our public infrastructure. Ultimately, smart infrastructure investments are the backbone of California's long-term success; ensuring future generations have sustainable economic prosperity and an enhanced quality of life. The Alliance is proud to support our members' mission to build and maintain California's most vital infrastructure.

Upon review of the released Statement of Reason and SRIA, below are several comments provided in regards to the ZEV forklift rule:

1. Acknowledging the green transition. First, the construction industry does in fact understand the need and efforts toward the state's green transition. Climate change is one of the most vital issues we are currently facing. We ask that our State agency partners actively work and engage with stakeholders, including the construction industry, to develop policies and guidelines that are both practical and will allow the State to realistically reach its climate objectives.
2. Significant Cost Impacts: the released documents clearly identify upfront costs for businesses subject to this rule. Upon review of CARB's Statement of Reason and SRIA, the upfront costs identified to these to businesses in California will be significant. CARB reports that there are several programs to assist businesses with the cost associated with the purchase of ZEV forklifts and that businesses will experience cost savings in the out years upon full implementation. While possibly true, these state programs possess limited

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1415 L STREET, SUITE 1080
SACRAMENTO, CA 95814

Office 916.446.2259



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financial resources and will only benefit a specific number of businesses – *not all* businesses subject to this rule. Additionally, while cost savings may materialize in the out years, most businesses will not have the financial / funding resources to sufficiently offset the upfront costs associated with installing ZEV infrastructure and purchasing ZEV forklifts. Ultimately, this will place businesses in a scenario of having to make difficult decisions between compliance and reducing its workforce, services, and / or other operational expenses. Lastly, its important to note that CARB’s reports identify *overall* costs savings for the ZEV forklift regulation, the documents fail to identify *specific* cost savings for each business and / or industry; which means while some businesses may be able to absorb some of the initial financial impacts, others may be forced out of business due to this mandate.

3. Negative impacts on workforce and workforce development: CARB’s analysis documents of the ZEV forklift rule report businesses will experience upfront costs to reach compliance w/some businesses experiencing more significant cost impacts with the purchasing of ZEV forklifts and relevant capital infrastructure. More importantly, CARB notes that smaller fleets will experience both upfront costs and cost savings, however, “the rate at which cost savings would be realized by a small fleet is expected to be slower, in general, than by typical fleets...” (Initial Statement of Reason, pg. 144). These upfront costs will negatively impact the bottom line of many small businesses throughout the State that are the backbone of California’s economy. At the present time, its unclear how small businesses are going to cover the upfront costs identified in CARB’s analysis documents. Ultimately, this will result in business owners having to make difficult decisions; including cutting, freezing, and / or reducing its workforce to ensure sufficient financial resources are available to obtain compliance with the ZEV forklift rule. As California is currently facing a \$68 billion budget deficit and will further experience future deficits, personal income tax is one of the state’s top three revenue generators; as a result, its difficult to comprehend why the state would aggressively impose mandates that will jeopardize portions of its workforce and negatively impact such a vital revenue source to the State’s General Fund.

The Alliance thanks you for the opportunity to comment on the proposed ZEV forklift regulation. We stand here ready to actively engage and provide practical feedback of the ZEV forklift regulation at your convenience.

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Sincerely,

Michael Quigley

1415 L STREET, SUITE 1080
SACRAMENTO, CA 95814

Office 916.446.2259



Executive Director
California Alliance for Jobs

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