

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 28, 2015

Reference No.: 4.14
Action

From: WILL KEMPTON
Executive Director

Subject: **COMMENTS TO THE CALIFORNIA AIR RESOURCES BOARD'S
SUSTAINABLE FREIGHT: PATHWAYS TO ZERO AND NEAR ZERO
EMISSIONS DISCUSSION DRAFT**

ISSUE:

Should the Commission provide comments to the Sustainable Freight: Pathways to Zero and Near-Zero Emissions Discussion Draft prepared by the California Air Resources Board (ARB)?

RECOMMENDATION:

Staff recommends the Commission approve the attached comment letter for distribution to the ARB. Comments address the need for one state freight plan, co-equal economic consideration, and close communication with and certainty for those impacted by the plan.

BACKGROUND:

ARB released the public draft document titled: "Sustainable Freight: Pathways to Zero and Near-Zero Emissions" during April 2015. The primary stated purpose of this plan is to identify the initial steps ARB intends to take to achieve a zero and near-zero emissions freight system. Over the next year, ARB staff intends to work with State, local and federal agency partners on the Sustainable Freight Strategy, in consultation with interested stakeholders.

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May 28, 2015

Mary Nichols
Chair, California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Dear Chair Nichols,

The California Transportation Commission (Commission), at its May 28, 2015 meeting, considered the April 2015 Sustainable Freight: Pathways to Zero and Near-Zero Emissions discussion draft prepared by the California Air Resources Board (ARB). The Commission commends ARB for developing a vision for a clean freight system, together with immediate and near-term steps that ARB will implement to support use of zero and near-zero emission technology. The strategies identified in this discussion draft, if implemented, will have a significant impact on California's vital freight industry as well as the economy of the state overall.

As the discussion draft states, freight dependent industries are a major economic engine in California, accounting for 32 percent of the overall economy and 33 percent of jobs in our state. The balance between environmental goals and economic needs is a struggle and the Commission commends ARB for recognizing that freight transport is a major economic engine for California and impacts to freight must be considered.

The Commission has long-supported and approved funding for transportation projects throughout the state that improve the safety of the traveling public while decreasing transportation related air quality impacts (including greenhouse gas emissions). The Commission is encouraged that the discussion draft highlights the need for effective, well-coordinated actions to achieve a zero or

near zero emission transportation system. It is with this perspective that we offer comments for your consideration.

1. One Statewide Freight Plan

Integrated statewide transportation modal plans with agreed upon statewide priorities are of high importance to the Commission since the Commission invests in projects that are included in regional and state transportation plans. Multiple statewide freight plans creates confusion among industry and public sector partners and increases the risk that transportation funding is not leveraged and strategically invested to fund the highest priority projects.

Last year, during the development of the California Freight Mobility Plan by the California Department of Transportation (Caltrans), the Commission expressed concern that the Freight Mobility Plan was prepared at a time when ARB was developing a California Sustainable Freight Strategy. At that time, the Commission recommended development of one integrated comprehensive freight plan for California. The Commission commends the ARB for highlighting the need for one comprehensive integrated state freight plan utilizing the California Freight Advisory Committee and discussions with all interested stakeholders. Please be assured that the Commission looks forward to working in partnership with ARB and others in this statewide effort.

The California Transportation Plan, currently under development by Caltrans, is required to consider factors such as those set forth in the California Freight Mobility Plan and the Sustainable Freight Discussion Draft. Therefore, we encourage ARB to assist Caltrans in integrating ARB's contemplated freight strategies as the CTP is developed. This will increase assurance that the statewide transportation network planned through 2040, includes a unified vision for freight, technology and other related factors.

2. Economic Sustainability of California's Freight Sector

As the state strives to meet its environmental goals, care must be exercised to ensure that California's economy is not adversely affected. Economic sustainability for the goods movement industry must be a co-equal consideration in the development and use of the Sustainable Freight Strategy if the plan is to succeed and meet its goals. To date, little work has been done on the economic analysis for a sustainable freight strategy. This is a crucial step as the sector operates as a system of systems with public and private investments. Therefore, we encourage an independent economic analysis – possibly by supplementing the work of the Governor's Office of Business and Economic Development (GoBiz) to provide additional assurance the impacts of the measures, projections, and other assumptions planned are peer reviewed and ultimately successfully implemented.

3. Freight Strategy Coordination/Communication

To achieve compliance with government regulations, new rules and requirements must be achievable, transparently communicated and fully understood by those charged with implementation. To be successful, it is important to consider that time is required for planning and incentives are more valuable in achieving compliance than regulations since regulations increase the potential for avoidance.

The Commission believes additional information is necessary to ensure that those most impacted understand the actions proposed. For example, additional information related to the facility based approach, modeling assumptions, growth forecasts, technology assessments, estimated costs and incentives for implementation should be shared. The Commission also encourages ARB to ensure that affected stakeholders, including public and private sector partners, have adequate time to review and respond and are fully engaged before formal Board actions are taken to ensure that the discussion draft is viable – economically and environmentally.

The Commission appreciates the opportunity to provide comments for your consideration. Please contact Will Kempton, the Commission's Executive Director, at (916) 654-4245, if you have any questions.

Sincerely,

LUCETTA DUNN
Chair

c: Commissioners, California Transportation Commission
Will Kempton, Executive Director, California Transportation Commission
Brian Kelly, Secretary, California State Transportation Agency
Malcolm Dougherty, Director, California Department of Transportation