

State of California
AIR RESOURCES BOARD

Update on Sustainable Freight Strategy

Resolution 15-22

April 23, 2015

Agenda Item No.: 15-3-4

WHEREAS, section 39003 of the Health and Safety Code charges the Air Resources Board (ARB or Board) with coordinating efforts to attain and maintain ambient air quality standards, to conduct research into the causes of and solution to air pollution, and to systematically attack the serious problem caused by motor vehicles;

WHEREAS, sections 39600 and 39601 of the Health and Safety Code authorize the Board to adopt standards, rules, and regulations and to do such acts as may be necessary for the proper execution of the powers and duties granted to and imposed upon the Board by law;

WHEREAS, sections 39666 and 39667 of the Health and Safety Code authorize the Board to regulate emissions of toxic air contaminants from non-vehicular and vehicular sources;

WHEREAS, sections 39666 and 39667 of the Health and Safety Code require an airborne toxic control measure for an existing source for which the Board has not specified a threshold exposure level, including a mobile source, be based on application or utilization of the best available control technologies or more effective control methods, unless the Board determines, based on an assessment of risk, that an alternative level of emission reduction is adequate or necessary to prevent an endangerment of public health;

WHEREAS, on August 27, 1998, the Board identified diesel particulate matter (PM) as a toxic air contaminant pursuant to article 1 (commencing with section 39650), chapter 3.5, part 2, division 26 of the Health and Safety Code;

WHEREAS, the trucks, ships, locomotives, aircraft, harbor craft, and equipment that move freight in California currently contribute about half of the total statewide diesel PM emissions;

WHEREAS, sections 43013 and 43018 of the Health and Safety Code authorize the Board to adopt and implement regulations, to control air pollution from motor vehicles and off-road or non-vehicle engine categories, which the Board has found to be necessary, cost-effective, and technologically feasible;

WHEREAS, the federal Clean Air Act requires the Board and local air districts to prepare State Implementation Plans (SIPs) demonstrating how each nonattainment region will attain the national 8-hour ozone and fine particulate matter (PM_{2.5}) standards, with plans due in 2016;

WHEREAS, freight equipment currently accounts for 45 percent of the statewide oxides of nitrogen (NO_x) emissions that react in the atmosphere to form ozone and PM_{2.5};

WHEREAS, the California Global Warming Solutions Act of 2006 (Assembly Bill 32; Chapter 488 Statutes of 2006; Health & Safety Code section 38500 et seq.) declares that global warming poses a serious threat to the economic well-being, public health, natural resources, and environment of California; it granted ARB the authority to monitor and regulate greenhouse gas emissions from all sources, and provided initial direction on creating a comprehensive multi-year program to reduce California's greenhouse gas emissions to 1990 levels by 2020, maintain and continue reductions beyond 2020, and initiate the transformations required to achieve the State's long range climate goals;

WHEREAS, Executive Order S-3-05 established a California greenhouse gas emission reduction target of 80 percent below 1990 levels by 2050; this target was reaffirmed in Executive Order B-16-2012, which established a California target for the reduction of greenhouse gas emissions from the transportation sector of 80 percent below 1990 levels by 2050;

WHEREAS, Assembly Bill 32 added section 38501 to the Health and Safety Code, which expresses the Legislature's intent that ARB coordinate with State agencies and consult with the environmental justice community, industry sectors, business groups, academic institutions, environmental organizations, and other stakeholders in implementing AB 32, and that ARB design emissions reduction measures in a manner that minimizes costs and maximizes benefits for California's economy, maximizes additional environmental and economic co-benefits for California, and complements the State's efforts to improve air quality;

WHEREAS, section 38560 of the Health and Safety Code directs the Board to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions from sources or categories of sources;

WHEREAS, freight equipment is a substantial contributor to black carbon emissions, a potent short-lived climate pollutant, and currently accounts for 6 percent of the statewide greenhouse gas emissions with growth projected in future years;

WHEREAS, local air districts, ports, transportation and energy agencies, cargo owners, trucking firms, railroads, shipping lines, and terminal operators are initiating or continuing activities to reduce freight-related emissions; these actions are integral to the success of California's air quality and climate programs;

WHEREAS, Resolution 14-2 directs staff to work with stakeholders to identify and implement near-term actions to reduce localized risk in communities near freight facilities, identify and prioritize actions to move California towards a sustainable freight

transport system, and evaluate and implement opportunities to prioritize transformative zero and near-zero emission technologies;

WHEREAS, implementation of a sustainable freight transport system that relies on zero and near-zero emission equipment powered by renewable energy sources needs to meet multiple goals, including: enhancing the economic competitiveness and efficiency of California's ports and logistics industries, creating jobs, and increasing the safety and livability of freight corridors;

WHEREAS, State environmental, energy, and transportation agencies, together with the business development office, will be working with local partners and stakeholders to develop a proposed comprehensive, integrated sustainable freight plan— the California Sustainable Freight Strategy—that will include actions and milestones to transition California to a sustainable freight transport system;

WHEREAS, on April 3, 2015, ARB staff released a document entitled "Sustainable Freight: Pathways to Zero and Near-Zero Emissions, Discussion Draft" (Discussion Draft) to seek input from the public and the Board; and

WHEREAS, the Board finds that the Discussion Draft advances the objectives identified in Resolution 14-2 and:

1. The Discussion Draft sets out ARB's vision of a clean freight system and immediate and potential near-term ARB actions that staff will develop for future Board consideration or Executive Officer implementation, as appropriate under State law, to address localized health impacts, attainment of air quality standards, and climate goals.
2. The Discussion Draft outlines the immediate steps ARB intends to pursue, and potential near-term actions ARB will consider, to advance California towards a zero and near-zero emission freight transportation system.
3. As described in the Discussion Draft, and consistent with the objectives outlined in Resolution 14-2, staff has initiated efforts to develop a proposed California Sustainable Freight Strategy for future consideration by the Board, in partnership with the California Transportation Agency, the California Environmental Protection Agency, the Office of Business and Economic Development, the California Department of Transportation, and the California Energy Commission.
4. The Discussion Draft provides ARB's initial proposed air quality policy contribution to the broader California Sustainable Freight Strategy effort.

NOW, THEREFORE, BE IT RESOLVED that the Board directs staff to:

1. Pursue development of the potential near-term actions described in the Discussion Draft for Board consideration or Executive Officer implementation, as appropriate under State law, as quickly as possible to meet public health and climate change needs.

2. Evaluate the potential ARB levers described in the "Vision for the Future" section of the Discussion Draft for inclusion in future planning documents that address federal and State air quality and climate change goals.
3. Evaluate and consider both the potential ARB levers and the broad-based approaches for freight facilities and systems described in the Discussion Draft, especially the range of system efficiency improvements that depend on industry participation and leadership, as part of the development of a proposed California Sustainable Freight Strategy.
4. Work closely with local air districts in the preparation of the 2016 State Implementation Plan, and give strong consideration to actions identified in the Sustainable Freight Strategy in the development of that State Implementation Plan.

BE IT FURTHER RESOLVED that the Board considers the development of a comprehensive California Sustainable Freight Strategy to be a high priority for the agency and directs staff to:

1. Continue engaging cargo owners; the logistics industry; labor; ports and airports; utilities; business leaders; environmental and community groups; environmental justice groups; academics; air districts; metropolitan planning organizations; federal government agencies; and other interested stakeholders on development of a proposed California Sustainable Freight Strategy.
2. Continue working with the identified State agencies, in addition to the California Department of Food and Agriculture, and other affected Boards and Commissions to develop a proposed California Sustainable Freight Strategy for consideration that addresses the State's air quality, climate, energy, transportation, and economic objectives.
3. Explore revenue opportunities to provide funding to the measures in a proposed California Sustainable Freight Strategy.

BE IT FURTHER RESOLVED that the Board directs staff to incorporate revisions identified by the Board into the Discussion Draft, return to the Board in late 2015 with an informational update on the immediate actions and potential near-term actions described in the Discussion Draft, and continue efforts to contribute to development of a proposed California Sustainable Freight Strategy.

I hereby certify that the above is a true and correct copy of Resolution 15-22 as adopted by the Air Resources Board.

/s/

Tracy Jensen, Clerk of the Board