



March 7, 2022

Chair Dan Malcolm
Port of San Diego
3165 Pacific Hwy
San Diego, CA 92101

RE: Environmental Health Coalition's (EHC) Comments on the Port of San Diego's Preliminary Heavy-Duty Zero Emission Truck Transition Plan – BPC Agenda #11

Dear Chair Malcolm:

As you know, EHC has been at the forefront pushing the Port to develop a plan to transition heavy-duty trucks to zero emission vehicles (ZEV) by 2030 to help address the disproportionate and severe air quality impacts Portside Communities experience as a result of maritime operations by Port tenants. EHC would like to recognize the Board's visionary leadership and the tremendous effort by Port staff thus far towards the preparation of the Port's Heavy-Duty ZEV Truck Transition Plan (TTP). This is truly an exciting time as the Port takes measurable steps towards implementation of the most ambitious heavy-duty ZEV goals of any port in the country.

EHC recognizes that the information circulated for today's hearing does not represent a first full draft TTP but rather an initial framework to help gather feedback from the Board and public to help guide staff with the preparation of the future TTP. However, the agenda materials circulated for today's Board of Port Commissioner's (BPC) hearing do not include sufficient information/pathways to achieve the 2026/2030 ZEV goals. In addition, while the agenda materials do provide a summary of the trucks at the Port (e.g., average miles traveled, average odometer etc.) along with broad challenges, it is important to note that the two terminals have distinct cargo, challenges, opportunities, and truck profiles which will require different solutions. And, while we fully recognize the challenge in keeping deadlines, there doesn't currently seem to be a public outreach strategy in place for the TTP going forward which is a concern.

We definitely agree with findings in the presentation that there are viable pathways to achieve 40% ZEV truck trips by 2026 and 100% by 2030, and we look forward to continued collaboration to develop a TTP that provides the specific strategies to achieve those goals. With this in mind, EHC's initial comments on the preliminary TTP are listed below for your consideration. We are urging the Board to direct staff to

address these comments in a draft TTP and to present the TTP at a public meeting prior to bringing the final TTP to the Board in June.

Summary of comments:

- ❖ **Compile complete and specific truck information by terminal.**
 - Provide truck profile data, challenges and future strategies specific to each terminal with sufficient detail to be useful to develop strategies and solutions and ensure that the TTP addresses all aspects of MCAS Objective 1A in the first full draft TTP.
 - Present the Draft/Final TTPs during public meetings (e.g., Portside Community Air Protection Community Steering Committee) prior to bringing the Final TTP to the 6/14/22 BPC hearing.

- ❖ **Determine alternative sources of funding related to incentives and infrastructure development.**
 - Increase the rates/tariffs charged to vessel operators, terminal operators, cargo handlers, and tenants and dedicate this increased funding to ZEV trucks with prioritized assistance to local single truck owners and small local fleets.
 - Establish a fee for non-ZEV trucks that enter Port tidelands and utilize funds collected from the fee to subsidize the purchase of zero emission trucks and infrastructure in an equitable way and through collaboration with local single truck owners and small fleets.
 - Proactively renegotiate existing tenant leases through a voluntary/opt-in program.
 - Develop new lease requirements for new tenants.
 - Create a financing plan to build out charging infrastructure on a timeline that will support MCAS 2026/2030 ZEV goals.

- ❖ **Develop an incentive plan that prioritizes truckers most in need.**
 - Establish incentives for ZEV trucks, such as registration fees and/or a priority access system.
 - Establish partnerships with local truck owners that will accomplish ZEV transition in phases.

Detailed comments:

Compile complete and specific truck information by terminal.

1. Provide truck profile data, challenges and future strategies by terminal with sufficient detail to be useful to develop strategies and solutions and ensure that the TTP addresses all aspects of MCAS Objective 1A in the first full draft TTP.

The agenda materials for today's hearing describe the Port's preliminary analysis of the summary truck data (which is still in process), the methodologies and assumptions used, high-level findings and pathways that describe how the 2026/2030 ZEV goals are viable options, broad challenges and some next steps. However, we know that the two terminals have different truck profiles, challenges, and therefore strategies/solutions will need to be tailored to the Tenth Avenue Marine Terminal (TAMT) and the National City Marine Terminal (NCMT).

For example, the daily average truck mileage (340 miles) needs to be broken down. 340 miles is likely too high for trucks delivering goods to other Southern California locations and too low for trucks delivering cars to northern California and other western states. Another important data point is the actual age of the trucks. Per SB1, all 2010 trucks will have reached the end of their useful lives by 2028. The Port should identify these trucks and create a portion of the TTP that directly targets them.

Please ensure that each of the sections of MCAS Objective 1A are addressed in the TTP in sufficient detail with particular emphasis on the compilation of all foreseeable tasks/timelines, policy concepts/new lease provisions, and the distances that individual trucks are traveling.

2. Present the Draft and Final TTPs during public meetings/workshops prior to bringing the Final TTP to the 6/14/22 BPC hearing.

We are recommending that the Port connect with San Diego APCD staff to present the Draft/Final TTP at the regularly scheduled Portside Community Air Protection Community Steering Committee and other community meetings which are open to the public.

Determine alternate sources of funding related to incentives and infrastructure development.

Section ii of MCAS Objective 1A requires the development of additional revenue source mechanisms and guidelines to utilize them. EHC offers the following initial policy concepts and strategies to increase revenue related to existing tenants, future discretionary actions, and charging infrastructure which will help to support a transition of heavy-duty trucks to ZEV.

1. Increase the rates/tariffs charged to vessel operators, terminal operators, cargo handlers, and tenants and dedicate this increased funding to ZEV trucks with prioritized assistance to local single truck owners and small local fleets.

The rates/tariffs should be used to establish a fund to offset the cost of transitioning diesel trucks to ZEV for truck owners that qualify for assistance. The fund should prioritize assistance to local single truck owners and small local fleets.

2. Establish a fee for non-ZEV trucks that enter Port tidelands and utilize funds collected from the fee to subsidize the purchase of zero emission trucks and infrastructure in an equitable way and through collaboration with local single truck owners and small fleets.

Ensure that equity and a priority on small, locally owned companies is incorporated into a truck fund, and that fees do not fall on the backs of misclassified truck drivers. Also, ensure that dray-off activities are not occurring to avoid the fees. Work with local single truck owners and small local fleets to help develop this fee with equity in mind. For example, there could be a system that applies higher fees to larger fleets with much lower fees to small fleets and single truck owners.

3. Proactively renegotiate existing tenant leases through a voluntary/opt-in program.

Start reaching out to existing tenants to put them on notice of the types of terms/conditions that could be required in order to extend their existing lease. Identify ways in which the Port can offer incentives (e.g., rent relief etc.) in exchange for associated terms (e.g., 100% ZEV by 2030 and interim targets leading up to that date, no misclassification of truck drivers etc.) to tenants with existing leases through a voluntary/opt-in program.

4. Develop new lease requirements for new tenants.

Develop requirements for new leases that support 40% ZEV by 2026 and 100% ZEV by 2030.

5. Create a financing plan to build out charging infrastructure on a timeline that will support MCAS 2026/2030 ZEV goals.

Establish similar fees, tariffs, incentives, lease provisions etc. (as described above) to support electric charging infrastructure. The Port will need to directly support the need for charging infrastructure in order to ensure accomplishment of the MCAS goals.

Develop an incentive plan that prioritizes truckers most in need.

1. Establish additional incentives for ZEV trucks, such as registration fees and/or a priority access system.

The Port could consider implementing a priority access system to provide ZEV trucks preferential access to its terminals. For instance, the Port could consider giving owners and operators of ZEV trucks their first-choice appointment slots at terminals. This measure would allow ZEV trucks to access terminals more quickly than other trucks, enabling them to carry more cargo and earn more revenue in the same amount of time. The Port could also establish annual registration fees for the truck registry that are then waived for ZEV trucks.

2. Establish partnerships with truck owners.

Create policies that support the Port developing partnerships with local truck owners and small fleets that will accomplish ZEV transition in phases. Age of trucks, per the survey, demonstrate that many trucks will be ready for turnover in the next few years. The Port can take advantage of the fact that there are many aging trucks by partnering with the truck owners and presenting opportunities for them to transition to ZEV.

EHC is looking forward to further collaboration with Port staff. In order for EHC to help make the most informed recommendations on the future Draft/Final TTP for Port staff's consideration, we are requesting that the Port respond to all of our comments/suggestions. Please feel free to contact me (via email: dannys@environmentalhealth.org or by phone: 619-850-1527) to discuss any

questions that you might have regarding this letter

Sincerely,

Danny Serrano, AICP
Senior Policy Advocate