



Meeting No. 2022-28

**San Pedro Bay Ports
Sustainable Supply Chain Advisory Committee
*March Meeting Summary***

Date: March 16th, 2022 | 11:00 am – 3:00 pm

Location: Via phone conference

Attachments: Attachment A - Attendees
Attachment B - Meeting Agenda
Attachment C - Presentation - Committee Meeting

Meeting Summary

1. Review & Approve January Meeting Summary
 - a. The meeting summary was approved. *GNA will post it on the Committee's website.*
2. Review & Approve Draft Recommendations
 - a. AHJ Permitting Efficiency & Responsiveness
 - i. GNA updated the Committee that the members are working to identify a time to meet and discuss proposed edits before the May committee meeting. *GNA will continue to support this effort.*
3. Port Opening Remarks
 - a. Both ports continue to operate in a primarily remote working environment but are separately approaching hybrid models. The ports do not have an expected timeline for the SSCAC to convene in-person.
 - b. The port complex continues to see positive results from its vessel management system introduced in late 2021 to address the record at-anchor congestion in San Pedro Bay. As of March 14th, three ships were at-anchor within the Safety and Air Quality Zone, 42 ships were staged just outside of the zone, and another 40 were slow-steaming towards the ports. This is significantly reduced from the January 9th, 2022 peak of 109 ships at-anchor.
 - i. PMSA commented that the system is having a significant, positive effect on emissions not just in the SPBP area but also globally. Slow-steam vessel activity generates fewer emissions than fast-steaming travel.
 - c. The ports added that the announced fees for container dwell time continue to reduce dwell times. Latest records show that they are now 51% of the early November 2021 level and that the share of empties is only 33% (down from 40% in that same time frame). This downward trend suggests that the industry is correcting, and so the fee has not been implemented while this correction takes place.



- d. The POLA shared that it is focused on several environmental programs. Its Green Corridor program is expected to launch in November 2022 to support emissions reductions in the marine vessel segment. The port is actively engaged with shipping lines, fuel providers, and the port of Shanghai about emissions targets and measurement methodologies. Staff noted that the international geopolitical landscape is presenting some challenges but that all parties are working to remain focused on a timely program launch. The port is also working with the Port of Seattle to define infrastructure requirements for its new cruise ship program.
- e. Both ports emphasized that their work on technology adoption and emissions reductions are being conducted with a shared goal of establishing sister corridor dynamics between major partner ports of call, rather than competitive dynamics.
- f. Finally, both ports reported that they are actively tracking funding and grant opportunities for zero emission (ZE) technology with a focused interest in hydrogen hubs. Ports staff invited Committee members' insights and recommendations.

4. SSCAC Member Priorities & Activities

- a. SSCAC Members Open Forum
 - i. EarthJustice noted that there is a large amount of funding available from the state and federal governments over the next six months. This week, the South Coast AQMD is also expected to discuss funding opportunities that it will be releasing to support drayage trucks. Finally, some modifications were made to existing programs such as CMAQ which open the door for freight applications. EarthJustice is assembling a tracker to understand the size and status of these funding programs and asked if the ports could advise on their strategy to pursue and apply these resources towards the CAAP goals.
 - Both ports welcomed the observation and asked if the tracker could be shared to support a group discussion, noting that such a resource would be useful for their funding applications and advocacy efforts. POLA requested that an agenda item for this conversation be added to a future meeting. POLB emphasized that some funding resources that previously did not support port applications are being re-defined, and that as the landscape of resources changes it's important for the ports to involve partners and thinking regionally.
 - EarthJustice added that approaching funding applications with a focus on benefits to the local community is a valuable strategy.
 - ii. FuturePorts supported the request for a master list of funding resources and potential applications but cautioned that the CMAQ program is an important resource for transportation organizations in San Bernardino, Riverside, and Orange counties. FuturePorts recommended that the ports proactively engage these groups to identify synergies and co-benefits of sharing these funding resources.
 - EarthJustice offered to compare the latest-published guidelines for the program with prior guidelines to confirm what terms have changed regarding use of funds for freight applications. This information will be circulated in the coming weeks.



- b. New Representatives: ILWU, Teamsters
 - i. ILWU representative Sal DiCostanzo provided a self-introduction to the Committee, noting that 50% of ILWU’s membership lives within 5 miles of the port complex, and 75% within 10 miles - they are directly affected not just at work but also at home by the ports’ operations and planning decisions. Teamsters representative Rob Nothoff also introduced himself to the Committee, noting that as an employee of the LA County Federation of Labor (of which the Teamsters is a member) he provides a diversified and broad lens on labor issues. The Federation has 300 locals in Los Angeles representing approximately 800,000 workers in a variety of trades including drayage truck driving. Both representatives expressed enthusiasm for working towards shared goals with the Committee.
 - c. New Member TBD: CEC
 - i. GNA updated the Committee that Commissioner Patti Monahan’s office is evaluating an invitation for the CEC to join the SSCAC as a member.
5. Update on CARB Activities
- a. Advanced Clean Fleet (ACF) rulemaking
 - i. CARB updated the Committee that it is monitoring the impacts of global geopolitical dynamics, including the COVID-19 pandemic and the war in the Ukraine, on the vehicle and fuel industries’ supply chains. The agency is also collaborating with partner agencies and organizations to understand the impacts of such market forces on the ACF’s regulated entities and incorporate exemptions and exclusions as needed to accommodate these impacts.
 - ii. The agency is currently addressing comments received on its draft rule on several topics which include: ZEV infrastructure availability and installation timelines; ZEV manufacturing lead times; inflation; small business sensitivities in a volatile market; and public health concerns. CARB intends to host a working group meeting on infrastructure in April, and a public meeting to share the updated draft language and discuss breakthrough truck categories, timelines and other key changes in May. In the interim, CARB staff notified the Committee that the CEC is producing a report on ZEV Infrastructure Planning which will address near- and long- term implications of California’s ZEV targets for the electric grid, permitting requirements, interconnection concerns, and charging standardization. CARB expects that this report will add some useful quantitative results to the industry’s discussion of the ACF.
 - iii. Representatives from Mayor Eric Garcetti’s office expressed concern that CARB’s proposed timeline for implementation and compliance under ACF does not align with known, real timelines and economics of ZEV adoption. In one example discussed, a fleet recently reduced its ZEV purchase plan from 100 units to 30 based on the voucher limits applied to HVIP for 2022 and instead ordered 70 natural gas vehicles to make up the difference. These trucks will be on the road for approximately 10 years as a result of limited funding and poorly aligned emissions reduction requirements.
 - CARB responded that it is working to move the regulation through the approval process as quickly as possible so that fleets can plan



accordingly with the available resources. Incorporating exemptions and extensions are also an important piece of the rulemaking so that the rule may be relevant in an ever-changing business environment. Limitations on the HVIP program were acknowledged as a common concern, and CARB shared that the agency is discussing this in more detail over the next funding year. Its policies are intended to ensure an equitable distribution of funds.

- iv. POLB asked for clarification on CARB’s coordination with GoBIZ and the Governor’s office, and whether there is a clear and shared definition of a “new normal” business environment. POLB noted that while the ports remain firmly committed to their CAAP that this work is affected by decisions made by CARB and other government offices, and the assumptions used by these entities may not align or may change in a short period of time.
 - CARB said that it is in touch with GoBIZ about aligning market trends “on the ground” with the regulation, and added that staff are preparing to discuss new and emerging challenges in detail with the Board when they present the rule for approval at the end of the year.
 - EarthJustice observed that the regulation, and the ports, should be looking at updated economic and environmental data equally when considering the regulation’s impact. The quality and understanding of emissions data in the freight industry has changed since the last CAAP update in 2017, for example. EarthJustice advised that the “new normal” will make it harder for the region to achieve air quality attainment targets, which are goals that CARB shares with the South Coast AQMD. EarthJustice urged that accounting for economic shifts should not delay the regulation.
 - The Harbor Trucking Association (HTA) countered that compliance expectations should be adjusted based on fleets’ current experiences with supply chain constraints. For example, many will operate old and/or used trucks longer than they may have otherwise.
 - GNA asked whether CARB is addressing the possibility that a significant share of the ports’ drayage fleet drops out of the registry at the end of 2022 if they cannot meet the proposed ZE standard.
 - a. CARB responded that they are currently reviewing letters and comments on this subject and that they aim to design funding programs to prevent fleets from being forced to choose diesel.
- v. PMSA shared three concerns about the interaction between CARB’s proposed ACF rule and the Truck and Bus rule:
 - First, fleet requests for exemptions under the Truck & Bus rule are due on 1/31/23 which is after requirements under the ACF go into effect. How will the ports know which trucks have received an exemption and therefore may continue to provide drayage service?
 - a. CARB clarified that the request for an extension due to manufacturer delay is due by 9/30/2022, and that the fleet is only required to report against that by 1/31/2023. Staff also advised that it is developing a consolidated database for vehicle



- compliance status and records. Based on PMSA's comment, they will continue to think through what types of exemptions and extensions may be required.
- b. HTA and PMSA agreed that, as written, the rule is not clear on how CARB, or the ports, would know if a vehicle is operating under an exemption between 1/1/23 and 1/31/23. CARB staff agreed to consider a revision to its language, and coordinate with the agency's team on the Truck & Bus rule.
- Second, a fleet that orders a truck at least four months ahead of the ACF deadline but doesn't receive it before the ACF's in-service deadline of 11/1/2023 would risk being penalized.
 - Utility timelines to provide supporting infrastructure are approximately 24 months for Tier 3 operating requirements, the level that would most commonly be required for port services. An 11/1/2023 deadline for port drayage operations does not allow the ports and utilities enough time to provide necessary supporting infrastructure for the vehicles that could be deployed by that date.
 - a. CARB reported that it is asking utilities for more specifics on their timelines, noting that prior forecasts were general. More details on this element of ZEV adoption will be discussed in the agency's public meetings, in the spring.
- vi. POLB noted that CEQA is a consistent challenge for project development, in and outside of the port complex. It requested that agencies and stakeholders consider CEQA requirements and timelines as they develop regulations and provide support for obligated parties to navigate this process. Streamlined procedures and funding support were recommended.
- CARB staff acknowledged the comments and advised that its current round of stakeholder discussions and comment review attempts to move the infrastructure discussion from the 50,000-foot level and into more granular details that obligated entities will encounter.
- vii. HTA advised that it would help fleets to see exemption reporting requirements as soon as possible so that they can prepare. Additionally, it cautioned that while linking reporting systems for vehicle registration and compliance is key, there should be no risk to fleets of a registration being terminated or suspended prematurely due to lack of communication between a regulatory agency and the DMV when a fleet's vehicle is granted an exemption.
- GNA requested that CARB provide more details on equity considerations, noting that the drayage industry is comprised of many lower income, minority and/or immigrant individuals as well as small business. These drivers cannot afford new trucks and have few economic opportunities if they are no longer able to work in the port sector. The Teamsters called the Committee's attention to State Bill 338 and Assembly Bill 794, passed in 2021, which stipulated labor law compliance requirements for the drayage industry and the broader goods movement and logistics industry as they receive funding for and



transition to ZE technologies. Enforcement of these rules is crucial and must be considered by any agency drafting affiliated regulations.

- CARB responded that while labor enforcement is outside of its domain it is in discussion with relevant labor groups to ensure alignment.
 - ILWU reminded the group that the San Pedro Bay community has undergone several economic transitions and is familiar with the health risks of poverty. Movement on the environmental agenda must incorporate economic considerations. GridAlternatives expressed support for this statement and flagged concerns that the health care system may be overwhelmed not just during the pandemic but in the long term as well, and unable to support communities that are disproportionately impacted by air pollution and the high costs of compliance.
- viii. GNA encouraged CARB to invite members of its Truck and Bus rule team to participate in future meetings regarding equity and fleet compliance with upcoming ZEV regulations.
- Members of the Committee expressed appreciation for CARB's participation in this conversation, and attendance to their expressed concerns. The San Pedro Neighborhood Council noted that as another variant of the COVID-19 virus emerges in China, supply chain volatility remains top of mind and a paradigm shift towards US manufacturing may be on the horizon with numerous implications.
- b. eTRU
- i. CARB updated the Committee that it completed the board review process for the 2022 amendments to the eTRU rule in February and is now preparing the Final Statement of Reason and submitting the rule to the Office of Administrative Law. The rule was first adopted in 2004 and was amended in 2010 and 2011; the next version is expected to become effective on July 1, 2022. This version primarily addresses requirements for truck eTRUs (e.g. devices that are attached to a straight truck), but the 2025 amendment to the eTRU rule is expected to specify compliance rules for eTRUs connected to trailers, railcars and shipping containers.
 - ii. The 2022 amendments address emissions by stipulating refrigerant specifications and establishing PM standards starting with model year 2023. Based on a 15% annual turnover rate in the truck eTRU market, CARB anticipates that the fleet will be fully rotated by 2029.
 - iii. Comments about compliance timelines are currently being addressed with provisions and exemptions.
 - iv. CARB added that it is separately conducting an eTRU technology assessment which it will workshop publicly in May 2022.

6. Drayage Truck Electrification

a. Status update - Clean Truck Program Implementation (Ports)

- i. The ports gave a joint presentation on the Clean Truck Program (CTP) (Attachment C). The fee collection is on track to begin on April 1, 2022, with costs being charged to the Beneficial Cargo Owner (BCO).



- ii. Reviewing the latest data from the PDTR, the ports noted that there are now 682 natural gas trucks in the registry, with 320 units certified to the 0.02g/bhp-hr NOx standard. While these natural gas trucks represent 3% of the drayage truck inventory, they are very active and performing 5% of the container moves.
- iii. The ports' fee collection software is going through final testing, and the ports will host a workshop on March 22nd to prepare fleets for the transition. They will also open their registration portal a few days before the launch date of April 1, 2022, to avoid the system being overwhelmed and allow a few days for any remaining technical glitches to be resolved. Fleet outreach is being conducted in partnership with the HTA.
- iv. Responding to questions about a backup plan, the ports added that their tech support team will be available seven days a week, and that staff time will be dedicated over the first week or so of the program to monitoring and addressing issues as they arise. Additionally, the system was designed to resemble systems that drayage truck drivers and fleet managers used previously.
- v. ILWU reported that at least one marine terminal operator had encountered problems with the system prematurely blocking truck access to the terminal. The ports said that this had not been reported to them and they would follow up to learn more and address the issue.
- vi. Addressing the use of CTP funds, the ports shared their respective first year spending plans - each has a strong focus on supporting ZEV purchases with vouchers using a program design similar to CA's HVIP program. Recipients must demonstrate compliance with labor laws and must use the truck in a drayage application.
 - The Committee questioned POLA's dedication of funds to trucks only in year 1, and subsequent allocation of funds through a Technology Advancement Program (TAP). Members stated that infrastructure is a key concern once trucks do arrive and pointed out that reserving funds for technology demonstration suggests that the ports don't believe that the vehicles are commercially ready. POLA responded that manufacturer lead times indicate that trucks ordered in year 1 will not necessarily be delivered in that same period, and that the port believes the first step is to support fleets placing orders. Regarding the TAP program, POLA pointed out that technologies are continually evolving, and that future generations of ZEV trucks may benefit from additional funding to support innovations that are important for the drayage segment. Additionally, the ports' respective spending plans after Y1 are subject to board approval each year, and therefore are subject to change according to the need.
- vii. Addressing next steps, the ports said that they will be implementing program monitoring systems and engaging the public on their long-term spending plans. They are particularly attentive to protecting drivers from program fees.
- viii. Mayor Eric Garcetti's office requested specifics regarding when program funds would become available to fleets, how infrastructure funding would be distributed, and how programs would be administered when partners such as CALSTART are involved.



- The ports were unable to provide a fixed date for funding availability, noting that the program's rate of revenue accumulation would only be determined with time. The ports added that they are also considering the most efficient methods for transferring and awarding funds. Monitoring program performance is an important first step to refining the funding plan. The ports do not plan to provide additional funding to kickstart the program.
 - Where possible, the ports are seeking to partner with organizations that have experience or are currently providing ZEV infrastructure funding to streamline the process. POLA added that it will bring a proposal from CALSTART to its board on March 24th along with the ports' own funding plan, and request approval of both simultaneously so that there is no delay implementing a partnership to manage and distribute voucher funds. POLB will also be considering information gathered from an RFI regarding ZEV infrastructure development for port drayage operations, which is currently active (see item 6.b.iv.).
- ix. HTA pointed out that many fleets do not own the land they occupy and that this creates a fundamental barrier to adopting fueling infrastructure. Although POLB has presented a study on potential sites for public charging hubs, HTA found that POLA's support for fleets is lacking. Overall, POLA's efforts to develop public charging facilities was considered absent or insufficient.
- POLA clarified that while its Y1 funding will focus on truck acquisitions it expects to address the infrastructure question in the period between issuing vouchers and vehicle delivery. It expects that the results of its study under the Volvo LIGHTS project will provide valuable information.
 - POLB added that it is proposing that 25% of its funds be used to offset infrastructure capital costs, and that through its RFI it hopes to evaluate opportunities for public charging inside the port gates. Adding that the ports' boards will determine whether their funding allocation proposals are appropriate, POLB encouraged HTA to share its concerns with the boards.
- x. EarthJustice commented that the program is not intended to be a major emission reduction program and that the 2020 analysis on the truck fee likely under-estimated the real fee amount required to have a measurable climate effect. EarthJustice supported the proposed use of funds including dedicating a share to continued technology development.
- b. Zero Emission Infrastructure for HD Trucks
- i. CARB Incentive Financing
 - Due to time constraints, this agenda item was addressed first.
 - CARB staff summarized their available truck loan programs and enrollment requirements, noting that they has been successful across several technology types and that the agency continues to see demand. Per State Bill 372, CARB will continue to work with state agencies to introduce funding programs that support the ZEV transition goals adopted across the state. The agency noted that additional funding is



needed to fully support ZEV funding in the HD segment. A meeting will be held on March 22nd for public discussion.

- HTA commented that its members could provide some useful information in shaping these incentive programs, and the two organizations agreed to discuss separately.
- ii. Overview of regional blueprint projects
 - GNA presented a summary of the regional blueprint projects that were awarded and/or active in 2021 and 2022 with varying degrees of relevance to the joint ports. GNA observed that nearly 30 projects are active or in development, and that results are expected to become available in 12-24 months. The CEC intends to coordinate a series of public workshops for these results to be shared, although a timeline is not yet available. For individual project details, see **Attachment C**.
- iii. Volvo LIGHTS Infrastructure Study
 - GNA provided a summary of the preliminary findings from the Volvo LIGHTS project's study of the potential for public BEV Class 8 drayage truck charging near POLA. The study considered two adjacent parcels in the Wilmington, CA area which could host a total of 40 150 kW DC fast chargers for dedicated drayage truck charging. These sites would support inland-bound drayage trucks requiring sufficient charging to return to their home base, where complete charging would be provided.
 - The preliminary findings included that a majority of the target truck trips could be facilitated with charging sessions lasting 48 minutes or less, but that utility upgrades would be required to meet peak load. These upgrades would require the site owner to choose between power capacity and charger quantity, due to space constraints.
 - a. Mayor Eric Garcetti's office noted that industrially-zoned land allows for locating utility equipment off the ground, and recommended that site selection consider this as a criteria insofar as it addresses space constraints. HTA recommended that POLA include industrial zoning in its criteria for community as well as safety reasons, and emphasized that the port should be attending to all needs and considerations in order to support HTA's members who will rely on public charging.
 - i. POLA recommended that it schedule a separate conversation with HTA about how to address its members' charging needs.
 - b. ILWU asked whether an appointment system would be adopted, and GNA clarified that the study was not intended to address that level of detail. As potentially the first such truck charging hub, however, the implementation could include a number of standard and innovative drayage truck features. GNA added that one parcel was capable of supporting fully-loaded trucks, while another was only capable of supporting bobtail trucks (or, trucks without their cargo). HTA and ILWU noted that this limitation is an important feature to address during design



since communities are sensitive to trucks staging their containers and cargo on public streets.

iv. Port RFI - Public Charging Technology and Infrastructure Needs

- POLB presented on its currently-active RFI for BEV drayage truck charging requirements. Based on the results, the ports will consider issuing a formal RFP; engaging with a respondent on a particular effort; and if no productive action is apparent, not taking any immediate steps forward. All responses are due by March 29th and the review process will take place over the subsequent weeks.
- EarthJustice asked POLA whether it would consider a similar RFI or approach, reiterating HTA's comment that it is not clear how POLA is taking actions to support drayage truck fleets. POLA noted that it does not have much available land that could support public charging efforts, but that it hopes to reconsider its opportunity to develop public charging in its conversation with HTA.

c. Discussion - Funding Advocacy

- i. GNA prompted the group to reflect on funding opportunities. Mayor Eric Garcetti's office suggested that bundled acquisitions that include land and charging infrastructure installations could be one approach. EarthJustice observed that thinking about funding opportunities is required across all port technologies, not just trucks. It proposed evaluating known funding resources for what the estimated SPBP fair share allocation would be, to develop an informed estimate of available funds.
 - ILWU noted that fair share has been a challenge for many years, and it supported a creative approach on this issue.

7. Conclusion & Next Steps

- a. Next Meeting: May 18th, 2022 - Marine Vessels
- b. Upcoming Agendas:
 - i. July: Increased Efficiency & On-dock Rail
 - ii. September: Workforce development
 - iii. November: ZE Trucks & CHE implementation



Attachment A
List of Meeting Participants

SSCAC Committee Members	
Marnie Primmer	FuturePorts
Michele Grubbs	PMSA
Thomas Jelenic	PMSA
Matt Miyasato	South Coast AQMD
Richard Boyd	CARB
Chris Chavez	CCA
Stella Ursua	Grid Alternatives
Sal DiCostanzo	ILWU-13
Adrian Martinez	EarthJustice
Louis Dominguez	San Pedro Neighborhood Association
Matt Schrap	Harbor Trucking Association
Rob Nothoff	International Brotherhood of Teamsters (rep'd by the LA County Federation of Labor)
Los Angeles Port & City Staff	
Teresa Pisano	Port of Los Angeles
Chris Cannon	Port of Los Angeles
Tim DeMoss	Port of Los Angeles
David Libatique	Port of Los Angeles
Michael Samulon	Mayor Eric Garcetti's Office
David Ou	Mayor Eric Garcetti's Office
Long Beach Port & City Staff	
Heather Tomley	Port of Long Beach
Rick Cameron	Port of Long Beach
Eleanor Torres	Port of Long Beach
Wei Chi	Port of Long Beach
Leela Rao	Port of Long Beach
Morgan Caswell	Port of Long Beach
Meeting Facilitation Staff	
Erik Neandross	GNA
Eleanor Johnstone	GNA
Patrick Couch	GNA
Christopher Davis	GNA
Other Stakeholders	
Jacob Haik	Councilman Joe Buscaino's Office
Lea Yamashita	CARB



Danielle Lawrence	CARB
Annmarie Rodgers	CARB
Andre Freeman	CARB
Regina Hsu	EarthJustice



Attachment B

Meeting Agenda

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2. Review & Approve Draft Recommendations
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3. Port Opening Remarks
4. SSCAC Member Priorities & Activities
 - a. New Representatives: ILWU, Teamsters
 - b. New Member TBD: CEC
5. Update on CARB Activities
 - a. ACF
 - b. eTRU
6. Drayage Truck Electrification
 - a. Status Update - Clean Truck Program Implementation (Ports)
 - b. Zero Emission Infrastructure for HD Trucks
 - i. Overview of regional blueprint projects (GNA)
 - ii. Volvo LIGHTS Infrastructure Study (GNA)
 - iii. Port RFI - Public Charging Technology and Infrastructure Needs
 - iv. CARB Incentive Financing
 - c. Discussion - Funding Advocacy
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Attachment C
Presentation - Committee Meeting