

California Sustainability Coalition

May 1, 2024

Senator Debbie Stabenow
731 Hart Senate Office Building
Washington, D.C. 20510-2204

Dear Senator Stabenow:

On behalf of the California Sustainability Coalition, we are forwarding correspondence to you that has been sent to Governor Gavin Newsom and his staff in recent months. The focus of our diverse and expanding Coalition is the zero emission policies adopted by the California Air Resources Board, and the resulting economic harm which will become much more pervasive in the coming years.

Unfortunately, California in its haste to lead the way in reducing emissions by adopting aspirational goals as policies without benefit of credible analysis is creating great internal disruption. Further, and contrary to Coalition advice, these policies ignore California's obvious inter-connection with other states and nations with whom it does business, and the policies which guide each of them.

We are asking that you as federal officials focus on this untenable situation before more harm is done. In doing so, please consider the multitude of California industries (e.g. Ports; agriculture; transportation and related businesses) and to the human condition in our cities, towns and counties (e.g. jobs; health care; operation costs; infrastructure) and develop national air quality standards that seamlessly apply to all states.

The Coalition remains committed to this effort and is anxious to assist. Please let us know how we can help.

Sincerely, on behalf of the California Sustainability Coalition,

Manuel Cunha, Jr. President
Nisei Farmers League

Mike Jacobs, President
Pacific Merchant
Shipping Association

Peter Scheiner, President
T.G.S. Logistics
(*Trucking*)

Melvin Mackay, President
International Longshore &
Warehouse Union

Alma Beltran, Mayor
City of Parlier, CA

Nathan Magsig, Chair
Board of Supervisors
County of Fresno, CA

Cc: Senator Alex Padilla

Senator Laphonza Butler

House Member Ken Calvert

House Member Judy Chu

House Member Jim Costa

House Member John Duarte

House Member John Garamendi

House Member Mike Garcia

House Member Robert Garcia

House Member Josh Harder

House Member Darrell Issa

House Member Kevin Kelly

House Member Young Kim

House Member Doug LaMalfa

House Member Ted Lieu

House Member Doris Matsui

House Member Jimmy Panetta

House Member Scott Peters

House Member Adam Schiff

House Member David Valadao

House Member Juan Vargas

Members of Senate Committee on Agriculture

Members of Senate Committee on Commerce, Science, and Transportation

Members of Senate Committee on Environment and Public Works

Members of Senate Committee on Health, Education, Labor and Pensions

Members of House Committee on Agriculture

Members of House Committee on Transportation and Infrastructure

Members of House Committee on Energy and Commerce

Tom Vilsack, Secretary, U.S. Department of Agriculture

Pete Buttigieg, Secretary U.S. Department of Transportation

Martin Oberman, Chair, Surface Transportation Board

Michael Regan, Administrator, U.S. Environmental Protection Agency

Attachments

April 4, 2024

To: Ann Patterson – Governor’s Cabinet Secretary
Christine Auree – Governor’s Deputy Legislative Secretary
Dee Dee Myers -Director of Governor’s Office of Business & Economic Development
Trey Bradley – Deputy Director of Sustainable Freight and Supply Chain

From: California Sustainability Coalition

Re: Follow-Up to March 11, 2024 Preliminary Meeting

Thank you for holding a preliminary meeting with selected members of our Coalition on March 11, 2024. As discussed on that call, we are seeking a meeting with the Governor to address the issues previously raised in documents sent to the Governor on December 19, 2023 and March 7, 2024. (See attachments) Given our productive conversation, and the supplemental materials that we are submitting for your consideration below, we renew our request again today to meet with Governor Newsom.

While California may have the legal authority, within limits, to adopt zero emission rules, whether they are feasible and reasonably implementable is another matter. What we are experiencing, and what we wish to bring directly to the Governor’s attention are the obvious roadblocks, beginning with the State’s lack of organizational structure, planning, and funding support, which are frustrating the achievement of its goals.

No one disagrees with the aspiration of better air quality and reduction of carbon emissions. However, our current zero emissions rules are stifling investment and commerce, rather than what should be in place: a cooperatively pursued, credible, and well-reasoned air quality enhancement plan.

Without a credible plan and buy-in from participants, the State’s current chosen pathways are creating a deepening divide between the State and those that need to make the private sector investments necessary to achieve these goals. Trust is quickly slipping away for many reasons, including all of the following:

1. Advanced Clean Fleet rules were adopted without knowing the amount and source of funding that will be needed. Consider, a 2023 California Department of Transportation report which was completed after adoption of the rules estimates that building a charging network to serve electric trucks on major highway corridors would cost \$10 billion to \$15 billion, not including electric upgrade costs. This was not known prior to the regulatory action or factored into its implementation dates. There remains no estimate of when such charging networks will actually exist and be in service.
2. The needed infrastructure for electric charging stations for on-road trucks and electrified forklifts used in agriculture is immense. The same is true at ports and virtually every warehouse, distribution center, and loading dock in the supply chain, and farm tractors, trucks and tractors used at processing facilities and in manufacturing. It remains an open question as to whether government intended to fund this infrastructure and if so, on what timeline? If not, who will provide the infrastructure financing and upon what timeline will this be planned, permitted, and constructed.

3. The billions of dollars of one-time grant funds the State and federal government have heralded as “unprecedented investments for a zero-emissions future” look more like uncoordinated, pilot projects meant to staunch the pain of implementing rules. They are primarily focused on deploying individual pieces of equipment or vehicles but have not significantly developed the underlying infrastructure necessary to actually use or deploy the equipment and vehicles. The question remains, what is the strategic investment strategy and who is responsible?

4. Diablo Canyon Power Plant’s total capacity per year is approximately 18,000 gigawatts (49.3 gigawatts per day) which is sufficient to power approximately 3 million households per twenty-four-hour period OR 84 thousand trucks per twenty-four-hour period, but even a plant with the power generation of Diablo Canyon cannot provide the power to both. What are the proposed new sources of energy for all other homes (10 million), heavy duty trucks (approximately 1 million), and all other vehicles, ports, schools, businesses, airports, etc., and when will it realistically be permitted, constructed, and operational? We need to work together to ensure that the regulatory compliance horizon is coordinated with the delivery of these new power resources in order to avoid unnecessary pain.

5. There is an inadequate number of state mandated Tier 4 trucks to accommodate the movement of agricultural products. Given the current shortage, the State must be prepared to suspend this mandate and fund updating of older trucks so that there will be an adequate trucking fleet to ensure that all segments of the supply chain operate as the public expects and is entitled to.

6. The current cost to purchase a heavy-duty electric truck is about \$500,000 (three to four times more than a diesel truck) and the driving distance is 150 miles before recharging. The current cost to purchase a hydrogen fuel cell truck ranges from \$500,000 to \$700,000 and the cost of fuel is three times the cost of diesel. Not only is the private sector expected to commit to exceptionally high investments for equipment, but these are vehicles that are far less economically feasible as they come with no certainty that the infrastructure and financial support necessary to actually operate and recover the costs of these investments will exist or materialize.

7. Under normal weather conditions, charging time for heavy duty electric trucks is 3 to 4 hours when using a one-megawatt DC charger and 8 hours when using a 500 KW charger. Excessively cold (e.g. Donner Summit) and excessively hot (e.g. San Joaquin Valley) conditions can greatly elongated the time required for charging. Still another issue that has not been addressed.

8. California needs to be sensitive to the question of how it will enforce its zero emissions policy on vehicles entering the State from other states and countries. There needs to be significant coordination with our neighboring states and our largest, direct foreign trading partner Mexico about the best way to avoid negative impacts to interstate and international trade.

Thank you for continuing to work with us. We look forward to meeting with the Governor so we can raise these challenges and begin a dialogue in which we can begin to address the real world constraints that are imposed on the transition and a bigger picture of support for his zero-emissions goals.

March 07, 2024

Gavin Newsom
Governor
State of California

Dear Governor:

The California Sustainability Coalition wrote to you on December 19, 2023, requesting a meeting as soon as possible. This letter renews the request and also provides you a growing list of entities, and local and county government, who are increasingly anxious to learn how you intend to help them implement your zero emission policies by 2035 deadline you have established.

To avoid redundancy, we refer you to our prior letter and add the bottom-line question of whether the State have the resources now and into the future to achieve your policies, or will we be left to figure it out on our own? Our concern is based on several realities including your adjustments to the proposed State Budget and spending reductions in the current State Budget which undercut your zero emissions policies and our ability to comply.

We understand, Governor, that the State cannot spend money it does not have. We live with that as well. The difference is that your actions protect the State Budget, but they do not help us. These state mandated compliance costs mostly exceed our capabilities and the 2035 clock keeps ticking.

The following are just a few of many examples which are threatening our businesses, livelihoods and our communities.

Waterfront Labor and Preservation of Union Jobs:

Longshore union labor is one of many essential blue-collar skilled trades whose workers make up many of the tens of thousands of jobs that depend on a healthy, growing, and sustainable supply chain in California. Everyone in the supply chain relies on the fact that we will have the skilled workforce necessary at each critical node of trade to ensure the economic competitiveness of our system. For example, without the longshore labor represented by ILWU Local 10 which represents union members that work the marine terminals and vessels at the Port of Oakland, the farmworkers who harvest the state's agricultural exports would not be working to timely and effectively load containers. And, vice versa, if farmers and farmworkers are not shipping produce to the Port and then loaded onto vessels bound for foreign destinations, then there is no additional work for longshoremen. These jobs are symbiotic and the growth in one sector often depends on the economic health and growth of the other. Longshoremen and other maritime labor are working with California agricultural exporters to ensure that we are all working together to grow trade and to ensure that our regulations recognize the importance of jobs on the waterfront.

Tugboats and Harbor Craft:

The tugboat, towboat, and barge industry is facing real challenges with CARB rules which have proven to be unworkable in terms of its implementation timelines and new mandates that pose safety issues for their operations. California's tugs are already the cleanest in the nation, and tug operators recently started a pilot project with the world's first hybrid tug and the nation's first zero-emissions ship-assist vessel. But while these untested technologies are still in their infancy, state regulations have mandated that they are enforceable now. As a result, these operators are now forced to choose between safety issues which have been identified by the United States Coast Guard and compliance with California law. If untested and dangerous technology is deployed, it not only puts vessel safety and our California waters at risk of environmental degradation, it puts our ability to facilitate global commerce and trade at risk.

Food processing facilities:

California's regulatory requirements for all electric are exacerbating the State's inadequate electric infrastructure causing significant time delays and inability to connect to the system (e.g. over 6 years to connect a simple farm shop to power; delay of over 5 years to power new processing equipment which are now operated with generators costing millions of dollars each season. Rural areas are low on the priority list for companies like PG&E.

Drayage Trucking to/from Ports of Los Angeles, Long Beach and Oakland, and rail terminals:

Effective January 1, 2024 only zero emission vehicles (ZEV) can be added to the drayage diesel truck fleet. The ZEV's are 30-50% heavier which greatly reduces hauling capacity and puts 20% more trucks on already overcrowded roads. This also will supposedly connect 15,000-20,000 ZEV trucks to the power grid but the lack of technology and infrastructure will leave us stranded, looking for a tow. It's estimated that fully charged ZEV's can travel about 150 miles with a light load on flat ground. Add the Grapevine or Donner Pass to the haul and the distance drops to double digits. Also, how do we manage interstate commerce issues and trade agreements as our trucks cross state and international borders into California? Government needs to do a reality check.

Temperature Monitoring of Freight:

Operators of Temperature Monitoring Refrigerated Trailers Temperature data logs are required on the majority of refrigerated freight. There is usually a not-to-exceed three-degree temperature variance from loading to delivery which may occur in California or throughout the United States. Any exceedance of this variance results in rejection of the load with the cost of the loss borne by the trucker. It does not appear that CARB staff understand this and have not offered solutions including adequate recharge stations in-state and interstate.

The contemplated battery weight and its safety are critical factors as well. Substantially reducing payload to accommodate batteries brings into serious question the economic feasibility of this type of essential transport, especially for long hauls.

African American Farmers/ Asian Farmers and other cultures:

African American, Asian, East Indian, and other minority farmers are unique within California's agricultural community. We are relatively few in number often farming small, leased acreage (sometimes just one acre) with limited resources. These challenges in themselves are difficult to overcome and a significant reason for our declining farmer numbers. So is government over-regulation. Applying zero emission requirements to our tractor and to our trucks which we use to transport our home-grown vegetables to farmers markets in the Bay Area and Southern California is not remotely affordable and the equivalent of California waving NOT WELCOME signs for people like us.

Francisco: Rural Community Resident:

Three years ago, I moved back to Avenal California from the Bay Area because of how unaffordable it became. I grew up in Avenal, completed my undergraduate degree at Yale, and received my MBA from Saint Mary's College of California.

I understand and value the importance of reducing pollutants and greenhouse gas emissions to protect our environment for future generations. However, as a parent, I find myself at a crossroads, faced with a decision that will impact my family's future significantly. With one child currently navigating the financial challenges of college, and another preparing to embark on this journey in 2029, the financial strain is frightening. Tuition costs are already a significant burden compounded by additional expenses for rent, food, transportation, etc.

In light of the State's sustainability initiatives, I'm compelled to ask how rural families like mine are expected to afford raising a family in California. As I juggle the costs of my children's college tuition and commuting expenses, the push for electrification hits hard. Why force us to choose between our kids' futures and a pricey EV vehicle, EV chargers, and solar mandate? We need real support, not impossible choices.

Cities and Towns in Support of The California Sustainability Coalition:

We, the undersigned towns, and cities, representing a diverse array of communities from the San Joaquin Central Valley to the bordering cities along the Central Coast and Mojave Desert, are united in our commitment to sustainability and environmental stewardship. Our coalition encompasses both rural and urban areas, each with unique challenges and perspectives on the state’s sustainability initiatives.

While we fully support the goals and objectives of the administration's policies, many of which have commenced as of January 1, 2024, we are increasingly uneasy about several critical issues that could impede the successful and complete realization of these initiatives by 2035. Our collective concerns are as follows:

- **Trucking Industry Challenges:** We are facing an increase in operational costs for our businesses and municipal services, coupled with a decrease in delivery efficiency due to the limited availability of compliant vehicles.
- **Power Grid and Substation Limitations:** The existing power infrastructure is insufficient to meet the increased demand. The financial burden of equipping every household, business, and facility with necessary connections, along with the escalating electricity costs, poses a significant challenge.
- **Transportation and EV Infrastructure:** The high cost of compliant vehicles and the lack of Electric Vehicle (EV) charging stations, especially in rural areas, both in residences and at workplaces.
- **Loss of Jobs:** The transition is expected to lead to a reduction in available jobs, particularly affecting the trucking sector and businesses dependent on current infrastructure capabilities.

To our dismay, there has been no engagement from the California Air Resources Board (CARB) on these matters of grave importance. In light of these challenges, we respectfully request a meeting with you. Our objective is to ensure that while we stride towards sustainable goals, we also safeguard the interests of our businesses, livelihoods, and our communities.

We look forward to a constructive dialogue and thank you in advance for your consideration of this vital matter.

Sincerely,

California Sustainability Coalition

December 19, 2023

Hon. Gavin Newsom
Governor
State of California

Re: Request for Meeting with Workers and Businesses to Establish State Funding and Policies That Embrace Dual and Equal Goals of Growing the Economy and Reducing Greenhouse Gases

Governor Newsom –

Our ask of you is simple. The sustainability coalition members listed below request a results-oriented conversation with you and your administration as soon as possible regarding the constraints of implementation and real-world impacts of the state's policies of reducing pollutants and green-house gas emissions. While our Coalition understands the important goals and aims of your policies (some of which take effect as soon as January 1, 2024), we are increasingly concerned with unresolved economic feasibility, technological challenges, and lack of essential infrastructure required to make them a reality by 2035.

Fortunately, California is presently making significant progress in air quality within the limits of technology and funding (e.g. farm tractors; trucks; trains; ships and cargo equipment at Ports) but we can only go as fast as reality and feasibility allow. Utility constraints assure that California's immediate zero-emissions deadlines are not achievable. Many potential purchasers of equipment, as well as their manufacturers and dealers agree. Under current circumstances, this will damage our supply chain.

Respectfully, we understand that aggressive deadlines energize clean air goals but our assessment is that these will eventually prove to be unrealistic unless government provides sufficient financial support and regulatory flexibility to make them happen. Successfully implemented, this will result in cleaner air and the added value of enhanced investment, successful businesses, and elimination of the present anxiety of businesses and workers who fear an uncertain future for themselves and their families.

We will ask for assurance in our meeting with you that government will allocate the financial resources required and make commitments to work collaboratively and proactively with all supply chain stakeholders to identify and respect the real-world constraints of feasibility needed to implement your air quality policies. This is necessary to reassure farmers that they will have access to affordable, next generation equipment which efficiently performs as needed; that truckers have the same access; that sea bearing ships so essential to the export of California products will be welcomed in our Ports; and that indispensable longshoremen will continue to have cargo to move.

If we can accomplish this, Governor, your constituents in urban and rural communities alike will be able to step back from the edge of the cliff and breathe a sigh of relief. The clock is ticking on the entire supply chain, making a meeting with you and the Coalition imperative as soon as possible.

Sincerely,

California Sustainability Coalition

California Sustainability Coalition

Affinity Truck Center

Ingomar Packing Company

African American Farmers of California

Inland Empire Economic Partnership

AgTC: Agriculture Transportation Coalition

Insure America Project

AJ Farms, LLC

International Longshore & Warehouse Union

Almond Tree Hulling Co.

International Longshore and Warehouse Union Local 10

American Olive Oil Producers Association

Ishii Bros., Inc. Production Agriculture

American Pistachio Growers

J&E Hulling

Andersen & Sons Shelling

JFS Enterprises, Inc.

Atlas Almonds

J. G. Boswell Company

Baggie Farms

JK Farms, LLC

Bairos Farms

Jose Carlos Ramirez, World Boxing Champion

Bay Area Council

Kern County Farm Bureau

Best Drayage, LLC.

Kings County Farm Bureau

Belmont Nursery

Kings River Packing

Betts Company

Kingville Farms

Biz Fed Central Valley Business Federation

Klassen Farms, Inc.

Biz Fed Los Angeles County Business Federation

KY Farming, LLC

Blessed Harvest, Inc.

LA Customs Brokers & Freight Forwarders Association

Boos & Associates

Leopoldo's Farm Service, Inc.

Booth Ranches, LLC	Lone Star Dehydrator
Brandt Farms	Lyons Transportation, VP
Bullseye Farms Woodland	Madera County Farm Bureau
Butte Farm Bureau	Manco Ag Services
Cain Trucking Inc.	Manufacturers Council of the Central Valley
Cal Coast Almond Processing, Inc.	Marine Engineers' Beneficial Association (MEBA)
California Agricultural Aircraft Association	Marine Fireman's Union
California Apple Commission	Mellano & Company, Inc
Assured Aggregates Co, Inc.	Mendocino County Farm Bureau
California Association of Flower Growers and Shippers	Merced County Farm Bureau
California Avocado Commission	Mid-Valley Cotton Growers, Inc.
California Blueberry Association	Mike Jackson Farms, Inc.
California Blueberry Commission	Mike Jensen Farms
California Building Industry Association	Milk Producers Council
California Business Properties Association	Minturn Huller Cooperative, Inc.
California Business Roundtable	Minturn Nut Company, Inc.
California Cotton Ginners and Growers Association	Moonlight Companies
California Farm Bureau	Monterey Pacific, Inc.
California Fresh Fruit Association	Mur5 Farms
California Fruit Basket Inc.	Murad Farms
California League of Food Producers	Musco Family Olive Co.

California Olive Oil Council	NAIOP – Commerical Real Estate Development Association
California Poultry Federation	Nat DiBuduo Real Estate
California Retailers Association	National Association of Egg Farmers
California Tomato Growers Association	National Association of Waterfront Employers
California Trucking Association	Northwest Chicken Council
California Truck Centers	National Customs Brokers & Forwarders Association of America, Inc.
California Women For Agriculture	NCPI, LLC
California Wild Rice Advisory Board	Nichols Farms
Campos Brothers Farms	Nisei Farmers League
Capay Canyon Ranch	North American Association of Food Equipment Manufacturers
Catania Worldwide	Northen Merced Hulling Association
CAWA, Representing The Automotive Parts Industries	Officials Coalition
Central California Almond Growers Association	Olive Growers Council of California
Central Valley Latino Mayors and Elected Officials	Opportunity Stanislaus
CEO, Harbor Trucking Association	Pacific Coast Producers
CFS LP	Pacific Merchant Shipping Association
Citri-Care, Inc.	Pasatiempo Vineyards
Commercial Truck Company	Peters Fruit Farms Inc.
ConAgra	Poindexter Nut Company
Corto Olive Company	P-R Farms, Inc.

Crinklaw Farm Services Inc.	Primex Farms
Crookshanks Sales Company	Proctor Companies
Customs Brokers & Forwarders Association of Northern California	Propeller Club of Northern California
D. R. Klassen Farms, Inc.	Raisin Bargaining Association
D. R. Klassen Packing, Inc.	Ramirez Ag Labor Services
Dairyland Huller	Raven Farms
Dalena Benik & Associates	River Oak Orchards
Dalena Farms	RWC Almonds, LLC
Daniel Salas Harvesting, Inc.	San Diego County Farm Bureau
Del Norte Farm Bureau	San Diego Customs Brokers Association
Del Rey Packing Company	San Francisco Bar Pilots
Del Rio Nut Company	San Joaquin Farm Bureau Federation
Don Chapin Company	San Joaquin Valley Manufacturing Alliance
Donahue Truck Centers Idealease	Santa Barbara County Farm Bureau
Dreisbach	Sierra Valley Almonds
El Dorado California Grown Almonds	Sihota Farms Inc
Enzo Olive Oil Company, Inc.	Sonoma County Farm Bureau
Family Fruit Farms	SSA Marine
Family Orchards, Inc.	Stanislaus County Farm Bureau
Farm Bureau Monterey	Stanislaus Food Products Company
Farmers Cooperative Gin, Inc.	Stewart & Jasper Orchards

Fresno Business Council	Sun-Maid
Fresno County Farm Bureau	TGS Logistics Inc.
Fresno Equipment Co.	The Almond Company
Friesen Farms	The Peterson Family
Fruit Harvest Family, Inc.	The Propellor Club of the US
Furlong Family Farms	Tony Martinez Trucking Industries Inc.
Gold River Orchards	Travaille and Phippen, Inc
Grapeman Labor	Tulare County Farm Bureau
Grizzly Nut, LLC	TVT Transportation
Grower Direct Nut Co	U.S. Meat Export Federation
GSC Logistics	Valley Harvest Nut Co., Inc.
GUSS Automation	Valliwide Organics
Hamilton Ranches, Inc.	Vann Family Orchards
Harbor Trucking Association (HTA)	V.A. Rodden, Inc.
Holland Nut Company	Wawona Frozen Foods
Hoff Farms	Western Agricultural Processing Association
Horizon Nut, Inc.	Western Growers Association
Humboldt County Farm Bureau	Western Plant Health Association
IMC (National Trucking)	Wiebe Farms, Inc.
Imperial County Farm Bureau	Young's Inc.
Independent Oil Producers Alliance	Youngstown Grape Distributors, Inc.

California Sustainability Coalition



Jose Carlos Ramirez
World Boxing Champion



J.G. Boswell Co.



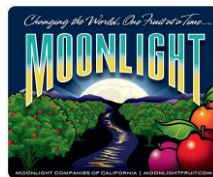
National Association of
Waterfront Employers



Manco Ag Services



Harbor Trucking
Association

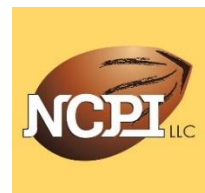




Trucking Co.



Packers, Dehydrators & Growers of California Raisins









Trucking



Manufacturers Council of the Central Valley



Cities and Towns in Support of the California Sustainability Coalition

Alvaro Preciado, Mayor
City of Avenal, California

Matthew Serratto, Mayor
City of Merced, California

Alma Beltrán, Mayor
City of Parlier, California

Patricia Matthews, Mayor
City of Lemoore, California

Diana Guerra, Mayor
City of Orange Cove, California

Frank Gonzalez, Mayor
City of Sanger, California

Víctor Martínez, Mayor
City of Mendota, California

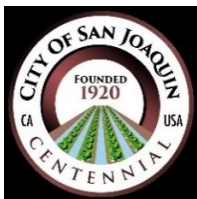
Daniel Parra, Mayor
City of Fowler, CA

Jeanette Zamora-Bragg, Mayor
City of Corcoran, California

Deborah Lewis, Council Member
City of Los Banos, CA

Julie Hernandez, Mayor
City of San Joaquín, California

Travis Paden, Mayor
City of Hanford, CA



Counties in support of the California Sustainability Coalition

Nathan Magsig, Chair
Fresno County Board of Supervisors

Larry Micari, Chair
Tulare County Board of Supervisors

Rodrigo Espinoza, Chair
Merced County Board of Supervisors

Robert Poythress, Chair
Madera County Board of Supervisors

Doug Verboon, Chair
Kings County Board of Supervisors

Miguel Villapudua, Chair
San Joaquin County Board of Supervisors

