



Board Report

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REVISED
PLANNING AND PROGRAMMING COMMITTEE
MARCH 16, 2022

SUBJECT: RESPONSE TO MOTION 16: 710 SOUTH CLEAN TRUCK PROGRAM

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE report on 710 South Clean Truck Program in response to Board Motion 16.

ISSUE

At the October 28, 2021, Metro Board meeting, the Board approved a Substitute Motion by Directors Hahn and Dutra (Attachment A).

Additionally, during the discussion of this item (Motion 16), Metro Director Ara Najarian asked for a report back on the various Zero-Emission technologies being developed for heavy duty truck use, including hydrogen fuel cell.

The authors of the motion have allowed for the first report back to be deferred to the March 2022 Board cycle to permit the 710 Task Force to convene stakeholders through its Clean Truck Working Group that will develop the 710 South Clean Truck Program (710 CTP).

This report provides updates on the development of the 710 CTP, including the stakeholder engagement process and advocacy efforts (as of February 2022) in response to the Board motion. Additionally, this report provides an update on the request made by Director Najarian during the discussion of Motion 16.

BACKGROUND

Metro and Caltrans District 7 established the 710 Task Force in September 2021 to re-engage stakeholders that depend upon, and are impacted by, the movement of people and goods within the Interstate 710 (I-710) South Corridor that includes the I-710 South Freeway facility between the Ports of LA and Long Beach and State Route 60 plus the local impacted communities adjacent to the freeway (Attachment B).

The commissioning of the 710 Task Force responds to the Board action taken in May 2021 that suspended all work related to the original I-710 South Corridor Project EIR/EIS, including the Locally

Preferred Alternative (LPA) 5C that included a form of an I-710 South Corridor Clean Truck Program as a programmatic element as prescribed within the overall environmental document. It is important to note that the 710 CTP to be developed by the 710 Task Force is independent of the prior programmatic element and any of the parameters or elements prescribed within that prior program.

Metro's goal for the 710 Task Force is to convene and work with stakeholders to develop a multimodal, community-supportive Investment Plan to improve regional mobility and air quality while fostering economic vitality, social equity, environmental sustainability, and access to opportunity for the most impacted residents along the I-710 South Corridor within the regional context of moving people and goods. The 710 Task Force meets every month and has held five Task Force meetings, with the sixth meeting scheduled for March 14, 2022.

Following the adoption of Motion 16, the 710 Task Force project team initiated a Clean Truck Working Group as the third working group established through the task force's engagement process. The Clean Truck Working Group is charged with developing the 710 CTP as part of the 710 Task Force's overall Investment Plan under the guidance of the Zero-Emission (ZE) technology parameters adopted by the Board (via Motion 16).

The working group currently comprises representatives from community-based organizations, the trucking and logistics industry, the Ports of LA and Long Beach, academia and research groups, utilities, zero-emission technology advocates, the Environmental Protection Agency, California Air Resources Board (CARB), South Coast Air Quality Management District (SCAQMD), Gateway Cities Council of Governments, Caltrans, and Metro. Upon establishment of the Community Leadership Committee (CLC) of the 710 Task Force, community residents selected to be part of the CLC will also be invited to participate in the Clean Truck Working Group. CLC members choosing to participate in the Clean Truck Working Group will have an equal role with Task Force members and other partners in developing the program recommendations that will be reviewed by the full CLC before being considered by the Task Force.

DISCUSSION

The Clean Truck Working Group has held three meetings (November 29, 2021; January 25, 2022; and February 24, 2022) in which Task Force members and key partners reviewed and discussed the following topics:

- The goals and objectives for the 710 Clean Truck Program in the context of Motion 16 (Directors Hahn and Dutra)
- Industry perspectives and the role of stakeholders in the 710 Task Force
- Air quality and environmental justice challenges and opportunities for the I-710 South Corridor, as presented by the Environmental Protection Agency
- Air quality context from the South Coast Air Quality Management District and the challenges in meeting upcoming federal air quality attainment deadlines due to the slow rollout and scaling of ZE truck technology and infrastructure to displace the large volume of diesel trucks moving goods in the region.
- The state of clean truck technology and efforts to accelerate the commercialization of ZE Class 8 heavy-duty trucks
- Governor Newsom's FY2022 budget and the prospects for ZE trucks and infrastructure

funding opportunities

- Strategies to best leverage Metro's \$50 million in seed funding with the state and federal governments' existing and future resources, while exploring partnerships with organizations already funding incentives to deploy ZE truck technology and infrastructure, such as the Ports of LA and Long Beach, CARB and SCAQMD.

A written summary, provision of presentations and materials, and a reporting out of the discussion at every Clean Truck Working Group meeting has occurred at each 710 Task Force meeting following the working group meeting, with multiple public comment opportunities available for members of the public to provide input into the development of the program. These documents and the video of the presentation to the 710 Task Force can be found on the Metro 710 Task Force webpage¹.

The Clean Truck Working Group, originally comprising only members of the 710 Task Force (Attachment C) was expanded permanently to include additional stakeholders and partners at January 25, 2022, meeting. This format and opportunity for collaboration among community, city, council of governments, industry, regulatory, port, utility, air quality/ZE advocacy, and academic/research stakeholders and experts are responsive to the leadership vision for regional collaboration provided by Part B of Motion 16 and vital to the success of the working group's development of the 710 CTP.

During the process of finalizing the scope of the 710 CTP, Metro and Caltrans plan to engage communities directly through (at minimum) a public workshop to gain feedback into the process and on proposals developed by the Clean Truck Working Group before a final presentation to the 710 Task Force for review and approval.

Areas for Possible Further Study and Consideration

The effective and accelerated deployment of ZE trucks within the I-710 South Corridor will require the Clean Truck Working Group to consider an array of policies, infrastructure needs, and mitigations to meet collective equity, public health, and climate action goals while also fostering an environment for public and private actors to advance the availability of ZE trucks at scale to make a significant and timely transition of the thousands of diesel trucks operating in the corridor daily. The following topics will be among those explored and discussed by the Clean Truck Working Group in future meetings as it develops the 710 CTP as part of the 710 Task Force's Investment Plan recommendations.

- **Alignment with 710 Task Force Vision & Goals:** Integrating the development of the working group recommendations will need to align with the Vision & Goals that are currently being developed by the Task Force. Overlaying a review of equity considerations and eliminating disparities will help ensure the working group recommendations will meet the overall Equity perspective employed by the Task Force for the entirety of its Investment Plan recommendations.
- **Regional ZE Infrastructure Planning:** The implementation of ZE infrastructure in the near term to support the growth of ZE truck operations in the I-710 South Corridor has emerged as a top priority - and future bottleneck to address - for the Clean Truck Working Group. Metro has an opportunity to create a regional blueprint developed in partnership

with Caltrans, the Gateway Cities COG, regional stakeholders, and local communities that can identify priorities for state and federal investment into key pieces of ZE infrastructure to serve the needs of current and future ZE truck owner/operators in the corridor.

This planning work will be of vital importance to allow Metro and Caltrans to identify near-term ZE infrastructure projects to compete for funding in upcoming state and federal discretionary grant cycles as well as for priority in state and federal planning efforts such as the California Transportation Commission's (CTC) SB 671 Clean Freight Corridor Efficiency Assessment being conducted currently. The 710 Task Force agreed to send a joint letter of support for the I-710 South Corridor to be a priority for this CTC planning work (Attachment D).

- **Community Outreach for ZE Infrastructure Siting:** While local communities are supportive of the deployment of ZE truck technology in the corridor-and the attendant infrastructure necessary to support that deployment-they also raise concerns about where potential ZE infrastructure will be sited in local communities adjacent to the I-710 South freeway. The inclusion of community members and advocates in the planning of ZE infrastructure siting will be of great importance going forward to ensure community input is received and further disparities are avoided.
- **Reliability of infrastructure and fuel/electricity:** Securing reliable and accessible ZE fueling and charging for trucks will require a level of comfort for truck owners/operators to depend upon the availability of charging or fueling for their ZE trucks at the time and speed necessary to maintain duty cycles.
- **Workforce development:** With the introduction of new ZE technologies into the corridor comes opportunities to develop workforce, skills, and training programs designed to link members of disadvantaged communities within the I-710 South Corridor to new and emerging jobs, such as installation of electric charging infrastructure.
- **Impact of slow scaling of ZE technology on equity, public health, and meeting state and federal mandates:** The South Coast Air Quality Management District must meet federal attainment deadlines or else the region-including LA County-risks losing access to federal transportation funding or other penalties associated with being out of compliance with clean air mandates (Attachment E).

The slow rollout of ZE technology-and the impending bottlenecks due to a lack of ZE infrastructure-makes bringing ZE technology into the region at scale a difficult challenge considering the magnitude of over 16,000 trucks that call on the Ports of LA and Long Beach daily. According to SCAQMD, the scale to commercialize and adopt ZE trucks (including infrastructure) is not on pace to meet the region's air quality goals or mandates.

The delay in bringing ZE trucks to market quickly and in large quantities creates additional equity concerns, disparities, and public health impacts for local communities due to tailpipe emissions from diesel trucks that will continue to operate in the corridor for the foreseeable future as ZE technology continues to mature and scale.

- **Entrained particulate matter:** Even if every truck and vehicle that operated within the I-710 South Corridor used ZE technology, there still would remain a significant amount of particulate matter generated by the movement of trucks - particularly on the freeway facility - due to brake and tire wear and deterioration of the freeway and roadway pavement. The presence of this form of particulate matter-which causes severe public health impacts for surrounding communities-is a contributing factor to the EPA's decision on whether a project to be implemented on the I-710 South Corridor will require a hotspot conformity analysis as part of the environmental process. Limiting or mitigating this source of public health hazard will be important to achieving equitable outcomes for local communities in addition to implementing ZE technology.

- **Tax and Incentive Funding Barriers to Adoption:** The trucking industry has raised several prominent concerns about the economic considerations truck owners/operators - especially those that are considered minority and/or disadvantaged small businesses - face when deciding not to transition from a diesel truck to a ZE truck.
 - Insufficient subsidy offered: The subsidy offered as an incentive by programs such as the CARB Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program (HVIP) oftentimes does not come close to covering the cost differential between a new ZE truck and a used diesel truck that is still eligible to operate. For many truck owners/operators, an even greater subsidy would be a minimum necessary to make the economic decision to make the transition to ZE technology.

 - Income tax - disincentive: Subsidies received by truck owners/operators as an incentive to transition from diesel to ZE technology are subject to income tax, thus creating a tax burden for smaller, minority, and/or disadvantaged truck owners/operators that undermines the purpose of the incentive funding. A legislative exemption from this tax could serve as an additional incentive for truck owners/operators to transition to ZE technology.

 - Sales tax - disincentive: Truck owners/operators that take advantage of incentive funding to subsidize the purchase of a new ZE truck must pay the full sales tax-sometimes up to 10%--on the purchase of a fully priced ZE truck. Exemption from this tax could serve as an additional incentive for truck owners/operators to transition to ZE. AB 784 (Mullin) could serve as a template for legislation given its partial exemption of sales tax for the purchase of certain ZE buses.

- **Truck parking:** One of the main challenges for truck drivers to transition to a ZE Battery Electric truck is the need to charge the truck overnight to run full duty cycles without losing time and economic opportunity because of having to charge during the day. Many truck drivers do not domicile their trucks at home or in a facility that would have access to electric charging; rather, they park their trucks on the street or at facilities that have no access to electric charging.

- **Vegetation and other truck mitigations:** Removing particulate matter and other toxic emissions from the air before they can impact local community health and the environment will likely be a priority for the working group and the 710 Task Force. Finding non-traditional ways to do so, including the introduction of vegetation or other strategies, could become part of the scope of work for the working group.
- **Technology and Innovation:** Using technologies to reduce truck VMT and eliminate unnecessary or inefficient truck trips will help reduce the impact of diesel truck operations in the corridor. An example would be the Drayage, Freight, and Logistics Exchange (DrayFLEX) program Metro helped implement to create efficiencies in truck movements in the Gateway Cities area.

A more detailed report on these topics will be provided in the May 2022 update to the Board.

Request from Director Najarian

During the discussion of Motion 16, Director Najarian asked for a report back on all ZE technologies being developed for heavy-duty trucks, including hydrogen fuel cells. This request reflects a growing need in the region to identify potentially multiple forms of ZE technology to meet the needs of different movements of goods, such as long-haul drayage, by Class 8 trucks.

The Goods Movement Planning unit is currently procuring professional services to advance the LA County Goods Movement Strategic Plan five key initiatives, including the Countywide Clean Truck Initiative. The proposed scope of work for these services includes a comprehensive evaluation of available heavy duty truck Zero-Emission technologies. Staff will coordinate this work with our partners at EPA, CARB, SCAQMD, and CalStart to develop a full response to Director Najarian's request. Staff estimates this report will be available in September 2022.

Federal Advocacy

The Infrastructure Investment and Jobs Act (P.L. 117- 58) signed into law by President Biden on November 15, 2021, provides funding for a variety of programs that could be used to fund the I-710 South Corridor Clean Truck Program. These programs include but are not limited to, the INFRA grant program, the RAISE grant program, and more than \$30 billion in grant funding for the deployment of electric and other clean vehicles and infrastructure to be administered by the U.S. Departments of Transportation (USDOT) and Energy (DOE). At present, the USDOT and other Executive Branch agencies are in the process of issuing Notices of Funding Opportunity (NOFO) that outline the specific parameters being used to issue grants to applicants from across the nation. As these NOFOs are published in the Federal Register, our agency will have the ability to understand which grant program is best suited to provide funding for the 710 CTP.

At the direction of Metro's Chief Executive Officer, a TIGER team has been created to work across all agency departments to support the agency's development of a road map on how to seek funding from the new and existing federal grant programs authorized and/or appropriated funding through the

Infrastructure Investment and Jobs Act. Once Metro determines that we are seeking federal funding for a Metro project through a specific grant program - our agency will - consistent with our standard operating procedure - launch an aggressive advocacy effort to ensure that our federal grant application has the highest degree of success possible. This aggressive advocacy effort includes engaging our Board members to directly advocate for a federal grant with federal stakeholders - in both the Legislative and Executive Branches of government. This effort also involves a concentrated effort to secure support from local and regional stakeholders - to transmit their support for a given grant request to the Biden Administration and their federal elected officials in both the House and Senate. NOFOs for federal grant programs that could fund eligible components of the 710 CTP are expected to be issued in mid-February and will continue to be released through the Spring of 2022.

State Advocacy

Metro's state advocacy team is continuing to aggressively advocate for clean fuel vehicle funding as identified in the Golden Opportunity Package recommended by the Board of Directors. The Governor's budget proposal contains significant amounts of funding for heavy-duty clean fuel vehicles including buses and trucks. We are continuing to advocate that the California Air Resources Board and the California Energy Commission should prioritize funding trucks in the I-710 South Corridor.

However, the actual structure of Metro's 710 CTP is still being developed by the 710 Task Force as of the writing of this report. Advocacy for that program will begin once its details are in place so that staff can communicate its structure--including funding structure, participant criteria, and performance requirements amongst other issues. Once the final structure of the Metro 710 CTP is approved by the Board (following action by the 710 Task Force to submit recommendations to the Board), we will engage in appropriate and aggressive advocacy to support that program.

EQUITY PLATFORM

Metro is working to center equity in all future decision-making, budget allocation, and community engagement activities for the Project(s) developed by the 710 Task Force along the I-710 South Corridor. Through the task force process, staff is currently working with stakeholders, including residents most impacted by potential projects along the corridor who will serve on the new Community Leadership Committee, to collaboratively develop an investment plan to implement priority multimodal projects and programs. One of these programs is the 710 CTP, as prescribed by Motion 16.

The 710 CTP will be vetted by stakeholders and assessed for its ability to support equitable outcomes. Development of the 710 CTP will directly address the pollution, air quality, and public health impacts caused by the operation of thousands of diesel trucks daily within the I-710 South Corridor. The 710 CTP is intended to be a new process independent of the parameters and elements attached to the previous version of this program that served as a programmatic element of the now-suspended I-710 South Corridor project environmental document.

In response to input from community representatives, Metro will engage and include members of the

CLC in the development of the working group recommendations, receive CLC review of the recommendations prior to consideration by the Task Force, and will consider re-naming the working group to reflect the Zero-Emission focus as directed by Motion 16 and requested by community stakeholders.

The 710 Task Force and its attendant working groups and Community Leadership Committee (composed entirely of local stakeholders from the corridor) will promote community-driven conversations to ensure an equitable decision-making process as the Task Force develops the vision and goals, creates multimodal strategies, and identifies priority projects and programs for the I-710 South Corridor to be brought to the Metro Board for consideration.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Collaboration among the I-710 South Corridor stakeholders through 710 Task Force meetings and Clean Truck Working Group meetings is consistent with the following goals of the Metro Vision 2028 Strategic Plan:

Goal 4: Transform LA County through regional collaboration and national leadership.

Goal 5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

NEXT STEPS

The 710 Task Force and Clean Truck Working Group will continue to work to define the 710 CTP and its associated investment and implementation plan to accelerate the deployment of ZE Heavy-Duty Class 8 trucks and infrastructure along the I-710 South Corridor.

The next meeting of the 710 Task Force Clean Truck Working Group will be on March 22, 2022.

Once the 710 Task Force approves a set of recommendations for the 710 CTP, staff will present those recommendations to the Metro Board for consideration.

As requested in Motion 16, Metro staff will report back on further updates during the May 2022 Board cycle.

ATTACHMENTS

Attachment A - Substitute Motion by Directors Hahn and Dutra, October 2021
(Item 16, Legistar # [2021-0708](#))

Attachment B - 710 Task Force Study Area

Attachment C - 710 Task Force Roster

Attachment D - 710 Task Force Joint Letter of Support for SB 671 prioritization

Attachment E - SCAQMD Presentation to January 2022 710 Task Force Clean Truck Working Group

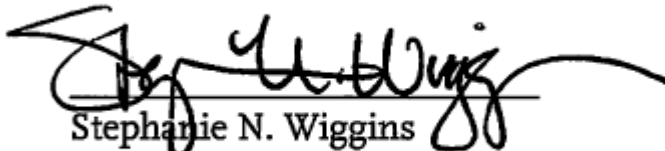
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