

California Natural Gas Vehicle Coalition



Members:

August 22, 2016

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Waste Management
Inc.

Westport Innovations
Inc.

The Honorable Anthony Rendon
Speaker, State Assembly
State Capitol, Room 219
Sacramento, CA 95814

RE: AB 1613 (Committee on Budget) Greenhouse Gas Reduction Fund (GGRF): Protect the \$150 million for Heavy Duty Vehicles and Off-Road Equipment

Dear Speaker Rendon:

AB 1613, as amended 8/16/16, includes \$500 million from Cap-and-Trade auction proceeds, which are deposited into the GGRF, for the Low Carbon Transportation and Fuels (LCTF) program administered by Air Resources Board (ARB). Out of this amount, \$150 million must be used for heavy-duty vehicles and off-road equipment investments. On behalf of the California Natural Gas Vehicle Coalition (CNGVC), **I strongly urge you to protect the \$150 million allocated for heavy duty vehicles and off-road equipment and respectfully request that it remains in the final version of AB 1613.**

Funding for the LCTF fell from \$200 million in Fiscal Year (FY) 2014-15 to \$95 million in FY 2015-16. Due to the significant funding reduction, appropriations for natural gas engines and trucks were cut out from the LCTF program. As a result, incentive programs and projects were not implemented. If the Legislature only appropriates a fraction of the \$500 million this year, the ARB is going to have to go back and prioritize cuts. And, funding for the LCTF program may go unfunded once again.

Over 80 percent of our polluting emissions come from mobile sources, and trucks operating in the goods movement sector are the largest contributor of NOx in the nation's two worst federal ozone non-attainment zones: the South Coast and San Joaquin Air Basins. In addition, disadvantaged communities are disproportionately impacted by pollution from vehicles and freight equipment. That is because these communities are more likely to live near busy roads, freeways, and freight hubs where they are exposed to dangerous levels of emissions, resulting in higher rates of asthma, cancers, and other pollution-related illnesses.

In the last three budget cycles, the Legislature has appropriated \$325 million to ARB for LCTF investments to reduce greenhouse gas (GHG) emissions with an emphasis on investments that benefit disadvantaged communities. These projects offer financial incentives to residents, businesses, and public agencies for purchasing and leasing zero- and near-zero emission vehicles; piloting commercial deployment of advanced clean trucks, buses, and equipment; and demonstrating emerging zero and low-emission transportation technologies.

It is imperative that the state continues to invest in low carbon transportation projects and incentives, specifically, zero- and near-zero-emission heavy-duty vehicle projects, and incentives for new low-NOx trucks and buses for which the ARB's LCTF 2016-2017 funding plan includes \$23 million.

According to the California Sustainable Freight Action Plan, heavy-duty trucks account for 33 percent of the state's NOx emissions, 26 percent of diesel particulate matter that contributes to lung disease and other respiratory ailments, and are a significant source of GHG emissions. Continued investments in ultra-low emission, and carbon negative, heavy duty trucks is the single most cost-effective investment the state can make to reduce GHG emissions, air pollution and impacts on disadvantaged communities.

As you engage in negotiations related to the LCTF program allocations included in AB 1613, I urge you to keep the state's investment in heavy-duty vehicles and off-road equipment as a top priority. It is the most cost-effective investment in helping the state reach the its ambitious GHG emission reduction goals. At the same time, the approved funding will help address environmental justice issues currently being experienced by disadvantaged communities located near ports, railyards, and heavy-trafficked roadways and freeway corridors in central and southern California.

I look forward to working with you and your staff on addressing any questions or providing you with additional information on ARB's LCTF's 2016-17 funding plan. I can be reached at (916) 448-0015, or, via email at thomas@cngvc.org.

Sincerely,



THOMAS LAWSON
President
California Natural Gas Vehicle Coalition

CC: The Honorable Phil Ting, Chair, Assembly Budget Committee
The Honorable Richard Bloom, Chair, Assembly Budget Subcommittee #3 on Resources and Transportation
Carrie Cornwell, Chief of Staff, Speaker's Office
Gabrielle Meindl, Resources Consultant, Assembly Budget Committee
Sean McNeill, Chief of Staff, Office of Assembly Member Bloom