

Memo



To: Port of Los Angeles

From: Janine Hamner Holman, J&J Consulting Group, LLC

Date: October 26, 2021

Re: Clean Truck Fee Stakeholder Engagement Meetings

Executive Summary:

Working with the staff from the Port of Los Angeles (POLA) and the Port of Long Beach (POLB) (collectively referred to as Ports), J&J Consulting Group (J&J) began conceptualizing and planning for community outreach and engagement around the Clean Truck Fund (CTF) Rate. We determined that the most effective and efficient plan was hosting two meetings utilizing the Zoom video conferencing platform and including Spanish translation:

- The first meeting was held on Thursday, August 26, 2021 at 9:00am and focused on the key questions of **low NOx exemptions and potential funding priorities** for funds raised through the CTF Rate.
- The second meeting was held on Wednesday, September 1, 2021 at 4:30pm and was focused on **issues of equity** – both with the communities surrounding the Ports as well as impacts to the drayage truck drivers.

Both meetings were well attended. The first meeting had over 120 participants and the second meeting had over 80 participants.

The intent of both meetings was to gather as much feedback from the community as possible about the proposed CTF Rate through a combination of:

- written comments
- polling
- verbal comments

Attendees provided a range of comments with commonly-voiced themes summarized below.

- Low NOx trucks should have a limited exemption from the CTF Rate.
- Zero-Emission (ZE) trucks should be the focus of funding.
- the Ports should do everything within their power to ensure that truck fleets properly classify drivers and that no funds be given to trucking companies that treated drivers improperly.
- The current \$10 per Twenty-Foot Equivalent Unit (TEU) rate is too low.

Meeting Structures and Participation:

The structure of the meetings was given significant thought and attention. After careful consideration, it was decided that each meeting would be structured differently in terms of community feedback and participation. Both meetings began in the same in format: with opening remarks from the Executive Directors of both Ports, followed by context setting by Director of Environmental Management of POLA and Managing Director of Planning & Environmental Affairs from POLB.

For the first meeting, J&J strongly believed that, because the Ports were seeking feedback on specific questions, a traditional open microphone format was not best suited to accomplish this goal. Instead, we provided the stakeholders with a series of poll questions (which are detailed below) and then asked them to enter their comments into the Q&A box, a function of Zoom. Over the course of the meeting, comments from the Q&A boxes were both read out by the facilitator and synthesized when the same types of comments appeared in more than one box (representative samples are also below). This style also ensured that all comments were received in the allotted timeframe for the meeting

The topic of the second meeting was equity; the format for that meeting followed the more traditional style where stakeholders raised their virtual hands on Zoom and were called upon by the facilitator to make verbal comments. Representative samples are below.

In the 1st meeting, we had:

- 28 staff from both the Ports of LA and Long Beach, including the facilitator
- 4 participants on the Spanish line, plus the simultaneous translators
- 123 participants from the community including representatives from:
 - Los Angeles County
 - Harbor Trucking Association
 - Port Authority of New Jersey
 - South Coast Air Quality Management District (SCAQMD)
 - Pac Anchor Transportation
 - Clean Energy
 - University of Southern California (USC)
 - Pacific Merchant Shipping Association
 - Los Angeles Alliance for a New Economy (LAANE)
 - Coalition for Clean Air
 - City of Los Angeles
 - National Resources Defense Council (NRDC)
 - Earth Justice
 - City of Long Beach
 - California State University, Long Beach (CSULB)
 - Transglobal Logistics Intermodal Inc.
 - California Dept. of Transportation
 - California Treasurer's Office
 - Rush Enterprises
 - Port of Hueneme
 - California Air Resources Board (CARB)
 - Sierra Club
 - PierPass

- Local 396
- Lion Electric
- Kuehne-Nagel
- Gladstein Neandross & Assoc
- Pacific Environment
- Environmental Audit Inc
- Nikola Motor
- Tetra Tech
- Commissioners from the Port of LA
- Cummins
- Southern California Edison
- California Natural Gas Vehicle Coalition
- Starcrest Consulting Group
- Mightycomm
- Ramboll
- Southern California News Group
- Teamsters
- Allan Company
- Rotary Club of Wilmington
- Hexicon Agility
- C40 Cities
- Technology Transition Corporation
- Yorke Engineering
- Fast Lane Transportation
- US Fleet Transport
- Harbor Truck Stop
- Navistar
- Shell
- American Trucking Association
- Cargomatic
- Frupco Expediting & Services
- California Hydrogen Business Council
- States Logistics Services
- CRST The Transportation Solution

In the 2nd meeting, we had:

- 21 staff from both the Ports of LA and Long Beach, including the facilitator
- 5 participants on the Spanish line, plus the simultaneous translators
- 82 participants from the community including representatives from:
 - Los Angeles County
 - Harbor Trucking Association
 - Port Authority of New Jersey
 - South Coast Air Quality Management District (SCAQMD)
 - Pac Anchor Transportation
 - Clean Energy
 - U.S. Environmental Protection Agency
 - University of Southern California (USC)
 - Pacific Merchant Shipping Association

- Los Angeles Alliance for a New Economy (LAANE)
- Coalition for Clean Air
- City of Los Angeles
- National Resources Defense Council (NRDC)
- Earth Justice
- Western Maritime Express Inc.
- California State University, Long Beach (CSULB)
- Transglobal Logistics Intermodal Inc.
- Mayor Trucking
- California Dept. of Transportation
- California Treasurer's Office
- Rush Enterprises
- Port of Hueneme
- Price Transfer
- Lynwood Unified School District
- California Air Resources Board (CARB)
- Sierra Club
- LA Federation of Labor
- International Brotherhood of Teamsters Port Division
- LA Clean Tech Incubator
- PierPass
- Teamsters Local 396
- Sigma Logistics Inc
- Pacific Drayage Services
- V Two Logistics
- Lion Electric
- Kuehne-Nagel

Synthesized Comments Received from Meeting #1:

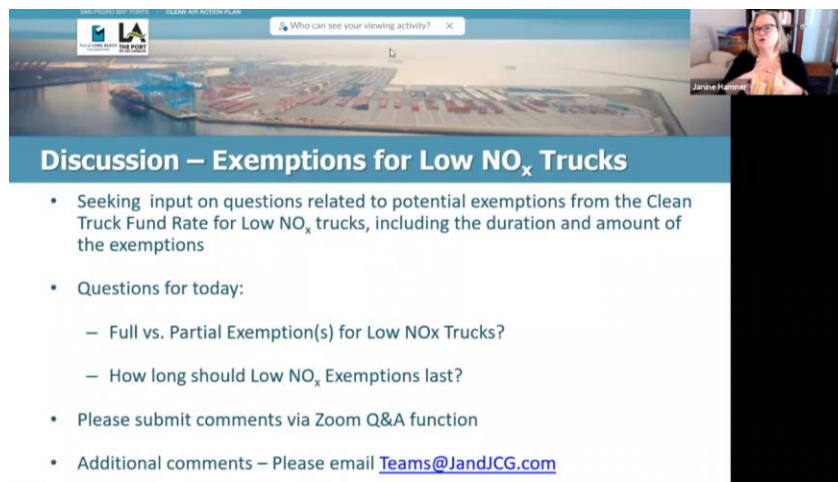
In meeting #1, we asked people to send in written comments, both via the Q&A box and through the administrative email for J&J. We received 101 comments through both venues (synthesized below). We also asked people to participate in 11 poll questions: 5 in the first part of the meeting focused on exemptions for Low NOx trucks and 6 in the second part focused on how money collected through the CTF might be spent.

General Comments

- Many people commented on the \$10 per TEU rate being too low. There is significant concern that the rate will not be able to generate sufficient funds for the needed programs. This concern was raised again in Meeting #2.
- There were also concerns expressed that funding required should not be a cost burden placed on taxpayers.
- Many expressed concerns about where the rest of the funds needed would come from and that the Ports needed to be more forthcoming with ideas around that.
- There were also concerns that a Demand Elasticity Study should be created by an outside agency; Public Policy Institute of California (PPIC) (<https://www.ppic.org>), Los Angeles Economic Development Corporation (LAEDC) (<https://laedc.org>), or National Economic Education Delegation (NEED) (<https://needelegation.org>) were suggested.

- Some expressed that it was important to develop interim goals for ZE vehicles on the way to 2035.
- We received a number of similar comments indicating that the Ports should change the Truck Registry Date. This idea is that the Los Angeles Board of Harbor Commissioners should work with the Long Beach Harbor Commission to move up the date prohibiting any more diesel trucks from being added to the Truck Registry to align with the implementation date of the \$10/TEU CTF Rate.
- We received a number of similar comments indicating that the Ports should prioritize public health when naming individuals to their respective boards. Comments suggested that public health is often ignored or glossed over and the Ports' economic study regarding a potential fee on cargo containers was given as an example.
- We also received a number of similar comments indicating that the Ports should create and adopt a comprehensive ZE port implementation plan by the end of 2022 that will guide it toward becoming a ZE port by 2035. It was recommended that benchmarks are important to ensuring the end goals are met.
- Several expressed their thoughts in this manner: "Even if the Ports decide to exempt NOx trucks from the CTF Rate, the spending plan should only prioritize ZE trucks. Money from the Clean Truck Fund should be dedicated to be used to reduce the cost differential between ZE trucks and diesel trucks. Furthermore the funds should only be focused on providing charging infrastructure and other endeavors that continues the transition to ZE trucks. The Ports should not create a funding plan that needlessly delays the transition to ZE trucks."

Comment synthesized from Meeting #1 – On Exemptions for Low NOx Trucks



Poll Questions on Exemptions and Results (In parentheses and RED) – A total of 92 people responded to the poll questions, although some did not respond to both rounds of polls.

If exemptions from the Clean Truck Fund Rate are provided for Low NOx trucks, by when would the Low NOx truck need to be added to the Port Drayage Truck Registry to be eligible for the exemption?

- By end of 2022 (20%)
- By end of 2023 (12%)
- By end of 2027 (20%)

- d. By end of 2034 (14%)
- e. No exemption (29%)
- f. Other (email Teams@JandJCG.com)

If a Low NOx truck receives an exemption from the Clean Truck Fund Rate, should it be a full or partial exemption?

- a. Full exemption (33%)
- b. Partial exemption (14%)
- c. Transition from full to partial exemption at some date (24%)
- d. No exemption (29%)
- e. Other (email Teams@JandJCG.com)

If Low NOx trucks “transition from full to partial exemption at some date,” when would be the appropriate time to transition to a partial exemption?

- a. After 5 years (24%)
- b. After 7 years (10%)
- c. After 10 years (8%)
- d. Full lifetime exemption (25%)
- e. No exemption (31%)
- f. Other (email Teams@JandJCG.com)

If a partial exemption is provided for Low NOx trucks, what would you recommend the partial discount should be?

- a. 25% reduction from the full Clean Truck Fund Rate (27%)
- b. 50% reduction from the full Clean Truck Fund Rate (18%)
- c. 75% reduction from the full Clean Truck Fund Rate (33%)
- d. Other (email Teams@JandJCG.com) (22%)

If exemptions for Low NOx trucks are provided, should there be a sunset date?

- a. No Low NOx exemption (27%)
- b. Sunset by end of 2027 (25%)
- c. Sunset by end of 2031 (24%)
- d. No Sunset (18%)
- e. Other (email Teams@JandJCG.com)

Feedback

- While 29% of people expressed their desire for exemptions to be for ZE trucks only, 71% felt there should be at least some exemption for low-NOx trucks.
- Participants in this (above) category generally favored low-NOx trucks getting some exemption, with respondents split over the length of the exemption from the Rate.
- Of the individuals favoring no or limited exemptions for low-NOx trucks, some raised the idea that offering no or limited exemptions would leave more funds available for funding of ZE trucks.
- Many of those favoring low-NOx exemptions expressed that carriers who have been early adopters (Low NOx Trucks purchased in 2019-2022) should receive the full CTP rebate until at least 2035 and that the Ports need to reward and encourage, not penalize, early adopters, and not discourage investment in this commercially proven new technology.

- 18% of stakeholders in this (above) category favored Low NOx vehicles having full, lifetime exemptions from the CTF, for the full useful life of the vehicle guaranteed under California's Senate Bill (SB) 1's formula of 13 years, or 800,000 vehicle miles traveled up to 18 yrs.
- Some had the opinion that Low NOx trucks should be exempt or partially exempt until ZE trucks are determined to be feasible per the ports' technical feasibility analysis. Once ZE trucks are operationally feasible/affordable (range/\$), then the exemption (full or partial) should be ended.
- There were also concerns expressed about the availability of Low NOx trucks due to supply chain issues.
- Some expressed the idea that Motor Carriers must receive the full rebate directly from the Ports for loads hauled by their Low NOx trucks. If the Beneficial Cargo Owner (BCO) receives the rebate, there will be no incentive to invest in Low NOx or ZE trucks in the next several years
- Several raised that issue that encouraging natural gas increases greenhouse gases (GHGs), contributing significantly to Climate Change, even when the Natural Gas is renewable or created through biomass.
- One perspective was that "trucks that meet the CARB low-NOx standard of 0.02 g/bhp-hr and are deployed prior to a CARB new engine manufacturing standard that requires a lower emission level than 0.02 should be exempt from the Clean Truck Rate for the lifetime of the truck as set by SB1. Trucks that meet the CARB low-NOx standard of 0.02 g/bhp-hr should be fully eligible for incentive funding from the Ports until a CARB new engine manufacturing standard requires a lower emission level than 0.02."
- One who was concerned about the \$10 TEU rate stated: "One consequence of the \$10/TEU container fee is that this actually hurts independent owner-operators compared to a higher fee. In the original Clean Trucks Program, the rate was \$35/TEU or \$70/FEU. Since most containers are FEUs, the \$70 rate is of importance. Drivers of exempt trucks could increase the rate they charge while still saving the BCO compared to paying the \$70 fee. A typical example is an exempt truck could charge a "clean truck surcharge" of \$55. This surcharge is \$15 (21%) cheaper for the BCO compared to paying the \$70 port container fee. A truck that does 4 turns per day for 250 days per year would earn $4 \times 250 \times \$55 = \$55,000$ in additional revenue. This is enough money to pay the financing on a Low NOx renewable natural gas (RNG) truck and still make more money. This is one of the reasons why the original Clean Truck Program was so effective. Conversely, the \$10/TEU or \$20/FEU is too small to work the same way. The discount that could be offered is insignificant and the extra money earned does not cover a truck payment or improve the financial situation of the independent owner-operator. Even if the savings was the same 21%, the incremental income would only be: $4 \times 250 \times (\$20 \times 0.79) = \$15,800$ per year. However, the \$4/FEU savings to the BCO would not motivate the BCO to only hire exempt trucks as was the case in the first Clean Trucks Program. The BCOs just won't care at that level. Anecdotal evidence supports this view. In the original Clean Trucks Program, 20-foot containers were charged \$35 for the container fee. This fee was too small to offer a meaningful discount for exempt trucks. Exempt trucks were used to haul 40-foot containers. Non-exempt trucks were used to haul 20-foot containers. This is obviously an unintended consequence but shows the reality of setting a rate too small to motivate behavior changes."
- Some suggested the idea of giving exemptions only to independent owner operators (also included below on equity).
- A question was also raised about why is there no consideration of this cost being passed on to beneficial cargo owners as they are the main beneficiaries? Such as a fee to move their freight on non-ZE equipment.

- There was also conflicting information about the timeline and current availability of ZE equipment – some believing that it is currently available, will be available within the next couple years, or isn't commercially available and (in that last case) then we need to stick with and incentivize Low NOx trucks.
- It was also raised that the exemptions and processes at both POLA and POLB need to be consistent so that operators can understand the best way to proceed.

Comment synthesized from Meeting #1 – On Potential Uses for Funding



Round #2: Poll Questions on Funding and Results (In parentheses and RED)

How do you recommend the Clean Truck Program spending plan be prioritized over time?

- Only incentivize ZE trucks. (49%)
- Only incentivize Low NOx trucks to start and transition to only incentivize ZE trucks at a future date. (12%)
- Provide incentives for both Low-NOx and ZE trucks with no set priorities and provide funding based on the applications received. (32%)
- Other (email Teams@JandJCG.com)

If the spending plan only funds Low NOx trucks to start and transitions to only fund ZE trucks at a future date, when do you recommend that transition occur?

- Only incentivize ZE trucks from the start. (51%)
- Transition to only incentivize ZE trucks by start of 2023 (7%)
- Transition to only incentivize ZE trucks by start of 2027 (29%)
- Other (email Teams@JandJCG.com) (12%)

What level of incentive do you recommend be provided?

- Set at an amount to cover the cost differential between a new ZE or Low NOx truck and a new diesel truck (32%)
- Set at an amount to cover the cost differential between a new ZE or Low NOx truck and a used diesel truck (24%)

- c. Set at an amount to cover the entire cost of a new ZE or Low NOx truck (24%)
- d. Other (email Teams@JandJCG.com) (20%)

How do you recommend that the incentive funding be made available for trucks?

- a. Lump sum grant at time of purchase for trucks to be used at the ports (39%)
- b. Subsidized lease payments over time for trucks to be used at the ports (15%)
- c. Vouchers provided through dealerships for discounts off of the purchase price for trucks to be used at the ports (34%)
- d. Other (email Teams@JandJCG.com) (12%)

Do you recommend the spending plan include funding dedicated to zero emission charging or fueling infrastructure?

- a. Yes. (68%)
- b. No. (27%)
- c. Other (email Teams@JandJCG.com) (5%)

Should review of the Incentive Program spending plan occur on annually, every 2 years, or every 3 years?

- a. Annually (59%)
- b. Every 2 years (37%)
- c. Every 3 years (7%)

Feedback

- Some felt that Clean Truck funding must go directly back to the drayage community, to support the purchase and operation of commercially proven Low NOx and future ZE equipment.
- Respondents were split over whether CTF funds need to go to streamlined grant programs (like SCAQMD's market accelerator), established voucher programs (like HVIP), or other creative truck replacement funding mechanisms. Any collected funds should also be used for fueling infrastructure investments.
- A number of people felt that small fleets/independent owners should be prioritized and or only funded over larger fleet operators.
- Some felt that the Port should use CTF funds to invest in ZE pilots.
- The issue of whether it could be possible to allocate a certain amount of revenue to go to advance tech maintenance and training programs came up several times.
- Several felt that enhanced assistance (e.g. increased rebate amounts, lease subsidies) should be targeted towards low-income truck drivers/owners and small fleet owners like the light-duty programs do. Some spoke of Owner/Drivers being targeted for funds.
- The thought was raised that the Ports should look at the possibility of funding transformative programs – doing larger scale funding of programs where companies are interested in getting to ZE and correctly classifying their drivers.
- It was also brought up that all capital costs are a Capital Goods Tax Write Off for the Truck or Truck Company owner.
- Others expressed that the costs of container transportation are business costs associated directly with the entities that profit from the shipping so that the private, for-profit shipping business can effectively manage their costs of doing business without relying on the Public for funding.
- A creative idea was to request funding from health insurance companies whose customers live in the areas that will benefit from cleaner air quality because of the ZE trucks to increase

available funds. The State could ask the insurance companies to factor in the risk associated with air pollution into their group premiums and have them invest that factor back into the clean truck program.

- Some brought up the issue that significant capital investment in equipment such as heavy-duty trucks are 8–10-year decisions and that communities will be stuck with the trucks the Truck Rate encourages for 8+ years... and “the contributions to GHGs will be with us for many decades later.”
- The issue of companies correctly classifying drivers, and only those who correctly classify drivers being eligible for funds, came up in this meeting and was brought up by several people and organizations. It was largely the focus of comments in Meeting #2, so the substance of those comments are below (under Meeting #2).
- One comment was that incentive funding should be based on the same cost-effectiveness of emissions reductions methodology regardless of the technology.
- Two commented on the concern of stranded assets for ZE technology and trucks.
- Many commented that the funds should only go to “high road” companies that correctly classify drivers (more comments in this vein are synthesized below in Meeting #2).
- There was also a question about “whether clean equipment includes the exhaust from reefer engines, transtainers, top handlers, gantry cranes, side picks & all other types of forklift equipment?”
- An idea came up to use funds to create transformative projects such as a franchise to deploy 100s of ZE trucks to serve short hall drayage as opposed to individual trucks.

Synthesized Comments Received from Meeting #2:

Meeting #2 was a “raise your hand, let us know your comment, question or idea” style meeting. We had 30 participants speak. Initially all respondents were given two (2) minutes to speak. As the meeting continued, we had additional time and invited anyone who had already spoken and had more to contribute, or not yet spoken, to please raise their hands and speak. We also had 27 people submit comments through a combination of the Q&A and email.

General Comments On Issues of Equity

The comments of the participants were often on both the issues of community impacts (the first part of the meeting) and driver impacts (the second part of the meeting). Since comments tended to cover both the community and the drayage truck drivers throughout the entire meeting, they are combined here for simplicity:

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Discussion – Community Impacts

How can the Ports' Clean Truck Programs be structured to address disproportional impacts in the community?

- To indicate your intent to comment, please utilize Zoom's "Raise hand" feature either from your computer or dial *9 on your phone
- Spanish Translation via phone: 1-669-900-9128 Meeting ID: 987 3575 5698
En Español, llame al 1-669-900-9128 y ponga la clave 987 3575 5698

Additional comments: please email Teams@JandJCG.com

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Discussion – Truck Driver Impacts

- How could the Ports' CTF Rate be structured to reduce potential impacts to individual truck owner/drivers?
- How could funding from the Ports' CTF Rate be distributed to reduce impacts to individual truck owners/drivers?
- What support is needed for individual truck owners/drivers to be able to transition to zero emissions technology?

- To indicate your intent to comment, please utilize Zoom's "Raise hand" feature either from your computer or dial *9 on your phone
- Spanish Translation via phone: 1-669-900-9128 Meeting ID: 987 3575 5698
En Español, llame al 1-669-900-9128 y ponga la clave 987 3575 5698

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- The majority of participants who commented, both verbally and in writing, expressed that it was critical that the Ports find ways to ensure that drivers are correctly classified as employees by the trucking companies. It was expressed that misclassification should not be tolerated at the Ports. There were also comments expressing this concern submitted in Meeting #1.
- A driver for a specific trucking company specifically said that his company that misclassifies their drivers, including him, and should follow the law.
- Many also commented that trucking companies need to be held accountable to labor laws.
- One of the trucking companies raised the issue that there aren't enough people who want to be employee drivers. His company pays employee drivers, but they are having a hard time recruiting enough drivers.
- A participant questioned if the rate should even be connected to trucks, since trucks are only one piece of the pie. "Maybe there should be a flat fee on all cargo and then funds could be allocated for programs commensurate with impacts on the community. We haven't gotten to a lot of other measures that are also having a big impact on our communities. So, this would also allow for more investments in other sectors, electrification, charging and other things that could have a big impact on both jobs and cleaning the air."
- A suggestion was made that the Ports sponsor a statewide mandate through legislation to have driver's wages set for at least \$30/hour.
- A suggestion was made that only companies that operate with an employee driver model, regardless of their size, should be eligible to receive CTF funds.

- The issue was raised that there is a false paradigm with jobs vs fees i.e. that a higher fee will impact volumes and shippers going to another port. Many expressed that this is a false issue – that shippers will absorb the costs and we must address the issues that protect our lungs and drivers.
- Comments were raised that trucks should be located in the communities so that the clean trucks benefit the community.
- A driver submitted the following comments on the issue of misclassification: “Hello my name is Jorge Mayorga and I've been a driver at the ports for over 35 years. I want to explain to you the difference between a ‘high road’ and a ‘low road’ trucking company, and what that means for drivers. For decades I worked for different trucking companies as a misclassified driver and had to pay all of the costs the trucking company forced onto my back – not just to buy the truck, I had to pay the diesel, maintenance, different kinds of insurance – everything. All of the costs came out of my pocket. If my truck broke down, not only did I not make money but I lost money because I still had to make all the other payments while the truck was out of service. It was a constant struggle. But now I work for a ‘high road’ company. I'm properly classified as an employee; I have a good Union contract and the trucking company takes full responsibility for all of the cost of operating the truck I drive. This guarantees that no other costs like the CTF are going to be passed down to me because I'm an employee and my company has stepped up to the plate. You need to make sure only ‘high road’ companies operate at the ports so that other drivers don't have to continue to go through what I went through. At the very least, any funds for new trucks should only go to ‘high road’ companies so you can make sure drivers' rights will be protected.”
- Several believe that any company that receives funds and that is found to be guilty of misclassification should need to repay the funds.
- A number of people commented that the large retailers should be doing more – they're not doing their fair share to get the Ports clean. Connected to that is the idea that container fee should be assessed to the owner of the products and cargo being imported – the big box importers.
- The point was also raised that it is important to ensure workforce development in the community to ensure that jobs can help people in the local community.
- It was brought up that it is important that the Ports accurately identify all indirect truck destinations and truck routes.
- The issue of cargo being diverted because of high fees, and the impact on jobs, was also raised. There were those who were concerned about volumes going away and then the converse – that higher fees will not have a significant impact on volumes.
- It was also raised that terminal equipment should be fully ZE, if they are not already.
- Some brought back the issues raised in the first meeting, that only ZE trucks should be incentivized.
- It was raised several times that the priority for funding should be ZE truck short-haul service companies that are currently available.
- The issue of the amount of the TEU rate was brought up again in the comments in Meeting #2, with all who commented on the issue believing that the rate was too low.
- Many made a direct connection between the CTF disbursements and the health and welfare of the harbor community and that, “the Ports must have the utmost diligence in ensuring that fleets who receive funding are in full compliance with applicable labor laws. Habitual driver misclassification from fleets threatens the economic welfare of the community, and the Ports should direct the CTF disbursements to those companies that have provided fair employment opportunities to harbor truckers.”

- Some suggested the idea of giving exemptions for Low NOx and funding only to independent owner operators to address the issue of equity.
- On the issue of driver classification, the comment was brought forth that, while it is ideal for all drivers to be classified as employee drivers, some drivers do not want to be employees and prefer to be owner operators or independent contractors.

Analysis and Conclusions:

In both meetings, there was robust discussion and a wide variety of input provided. In summary:

Incentive Fund Priorities:

- Half of respondents were in favor of only incentivizing ZE trucks with available funds, with the remaining in favor of funding low-NOx trucks initially and transitioning to ZE at a later date or having other opinions on how to prioritize incentive funds.
- 68% of respondents believe that the spending plan for CTF funds should dedicate some of the funds to ZE charging or fueling infrastructure.
- 59% believe that the Incentive Program spending plan should be reviewed annually.
- In both the first and second meeting, people felt that a way to create equity and a reasonable funding priority should be to prioritize locally owned trucks, small fleets, and only operators who properly classify their drivers.

Equity:

- Most people who spoke or submitted comments in Meeting #2 were concerned about the Ports enforcing trucking companies' compliance with the laws around driver classification. Many also commented that CTF funds should only go to "high road" companies that correctly classify drivers, and that funds given to companies that incorrectly classify drivers should be returned.
- There was divergence on the issue of jobs, fees, and cargo volume. Some felt concerned about volumes leaving the ports with higher fees, and that jobs would leave with those departing volumes. Others felt that a higher fee would have little or no impact on volumes.

Exemptions:

- About one-third of the respondents expressed their desire for exemptions for ZE trucks only and that no exemptions should be given for Low NOx vehicles. These participants generally favored natural gas trucks getting no exemption, but if the ports grant an exemption, that it should not be a lifetime exemption to the Rate. They also raised the idea that offering no or limited exemptions would leave more funds available for funding of ZE trucks.
- Two-thirds of respondents supported some sort of exemption for low-NOx trucks. Some also expressed that carriers who have been early adopters (Low NOx Trucks purchased in 2019-2022) should receive the full exemptions until at least 2035 and that the Ports need to reward and encourage, not penalize, early adopters and not discourage investment in this commercially proven new technology.

Other Key Thoughts

- Exemptions and processes at both POLA and POLB need to be consistent so that operators can understand the best way to proceed.
- The issue of allocating funds for advanced tech maintenance training programs, or other clean tech jobs is a priority for surrounding communities, with interest in giving priority to local residents for those training programs.
- A question was raised about whether the rate should even be connected to trucks, since trucks are only one piece of the pie. The participant proposed a flat fee on all cargo instead, with funds allocated for programs commensurate with impacts on the community. He commented that we haven't gotten to a lot of other measures that are also having a big impact on our communities. So, this would also allow for more investments in other sectors, electrification, charging and other things that could have a big impact on both jobs and cleaning the air.
- A significant number of people commented that the larger retailers should be the ones paying the fees, which might necessitate an alternative fee structure.
- Lastly, many expressed their appreciation to the Ports for these meetings and their substance.