



## Board Report

**File #:** 2020-0129, **File Type:** Motion / Motion Response

**Agenda Number:** 2.

### PLANNING AND PROGRAMMING COMMITTEE MARCH 18, 2020

**SUBJECT: RESPONSE TO MOTION 8.1 - 710 CLEAN TRUCK PROGRAM**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

APPROVE staff recommendation to program \$50 million in Metro-controlled funding sources, including but not limited to Measure R funds identified in the expenditure plan for the Interstate 710 South and/or Early Action Projects, as seed funding for the 710 Clean Truck Program, to be made available contingent upon a Record of Decision issued by the Federal Highway Administration for the Interstate 710 South Project

#### **ISSUE**

At the January 2020 Board meeting, Directors Hahn, Solis, Butts, Garcia and Najarian introduced Motion 8.1 (Legistar File #2020-0067) that directed staff to include the 710 Clean Truck Program as an Early Action Item under both the Goods Movement Strategic Plan and the I-710 South Corridor Project. The Board also directed staff to report back within 60 days with a framework for implementing the 710 Clean Truck Program, delineating at a minimum the following items:

1. Assessment of eligible Metro funding sources and recommendations for seed funding.
2. Development of implementation details, including eligibility requirements, institutional arrangements, management, staff resources and administration.
3. Evaluation of potential strategies to accelerate progressive transition to Zero Emission Trucks in the I-710 corridor.
4. Recommendations on how to encourage the participation of key regulatory agencies and stakeholders in the development of the program, with a specific focus on community-based organizations, non-profits, and community advocacy groups.

This report provides a recommendation for seed funding for the 710 Clean Truck Program and a response to the Board's request for the current framework for implementation.

#### **BACKGROUND**

The Metro Board of Directors approved the Locally Preferred Alternative (LPA) 5C for the I-710 South

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Corridor Project (710 Project) FEIR/FEIS on March 1, 2018. Included as a programmatic component of Alternative 5C is the development of a phased-in Zero Emission Truck Technology Development Program to deploy an additional 4,000 near-zero-emission (NZE) or zero-emission (ZE) heavy duty (Class 8) trucks for use within the I-710 Corridor by 2035.

In addition to approving the LPA for the 710 Project, the Board also approved two motions-Motion 5.1 by Directors Hahn, Solis, Garcia, and Dupont-Walker (Legistar File # 2018-0053) and Motion 5.2 by Directors Solis, Garcia, Ridley-Thomas, Butts, Najarian, and Hahn (Legistar File # 2018-0068)-that provide additional direction for Metro staff to follow in implementing the 710 Project and its component, the phased-in Zero Emission Truck Technology Development Program.

Relevant to the establishment and implementation of the 710 Clean Truck Program, these motions directed the following actions:

Motion 5.1

- Changed the name of the Zero Emission/Near Zero Emission truck technology development program to the phased-in Zero Emission Truck Technology Development Program. The phased-in Zero Emission Truck Technology Development Program will be called the “710 Clean Truck Program” throughout this board report.
- Increased the program funding target from \$100 million to \$200 million. The program will include incentives and grant investment in the acceleration of ZE technologies both for long hauling trucks and for freeway infrastructure, including but not limited to “under the pavement” vehicle charging capacity as one option to consider.
- Called for Metro to convene a working group comprised of the California Air Resources Board (CARB), California Department of Transportation (Caltrans), Southern California Association of Governments (SCAG), South Coast Air Quality Management District (SCAQMD), California Transportation Commission (CTC), the Ports of Los Angeles and Long Beach, ZE industry experts and other key stakeholders to develop a policy recommendation for a full, ZE only, dedicated lane including, but not limited to, “rechargeable roadways” on the entire 19-mile stretch of the 710 freeway, between its southerly end and State Route 60, as part of the re-evaluation of the remaining elements of Alternative 5C, after the Early Action Projects have been completed.

Motion 5.2

- Directed the CEO to establish a working group with the freight industry, air quality regulators, transportation and metropolitan planning organizations, the Gateway Cities Council of Governments (COG) and other relevant stakeholders to explore the lead authorities, financial impact and other implementation factors to:
  - Develop a strategic plan that is consistent with the South Coast Air Quality Management Plans, which expedites the transition from diesel freight trucks to NZE vehicles as soon as possible and outlines a transition to ZE vehicles as the cleanest, most reliable technology becomes available.

- Host an industry forum aimed at stimulating and accelerating the deployment of cleaner freight truck alternatives. The forum shall include, but not be limited to, topics such as funding and financing, public-private partnerships, new technologies, on- and off-dock rail support facilities, best practices research and development, demonstration programs, creative purchase/lease incentive programs, etc.

Subsequent to the approval of Motions 5.1 and 5.2, Metro initiated a planning effort to develop the Los Angeles County Goods Movement Strategic Plan. Through stakeholder discussion and development of the strategic plan, staff identified the need to focus on implementing clean freight technology throughout the region as a near-term priority, including deployment of clean trucks across the county.

Parallel to the goals set forth by the Board in Motions 5.1 and 5.2, staff convened a Regional Clean Truck Initiative (RCTI) Working Group comprising regional stakeholders aligned with the goals identified in the motions. The focus of the RCTI Working Group was originally to develop a countywide approach to implementing cleaner truck technology within Los Angeles County.

Motion 8.1, approved by the Board in January 2020, tasked staff developing the Goods Movement Strategic Plan with developing the 710 Clean Truck Program as an early action item for the RCTI (and the Goods Movement Strategic Plan) and directed staff to return with a response to the motion in March 2020. The motion also sought a recommendation for “seed funding” for the 710 Clean Truck Program as part of the response, with an eye toward meeting the requests put forth by federal agencies reviewing the FEIR/FEIS for the 710 Project to secure a commitment from Metro and Caltrans to implement the 710 Clean Truck Program.

Completion of the environmental review of the 710 Project requires the Federal Highway Administration (FHWA) to issue a Record of Decision (ROD), which signals the formal federal approval of the FEIR/FEIS and allows Metro and Caltrans to proceed with the design, right-of-way acquisition, and construction of the project elements. As part of the National Environmental Protection Act (NEPA) review process, FHWA is legally required to consult with the United States Environmental Protection Agency (EPA) and other state and local agencies on the Project’s ability to meet project-level air quality conformity requirements. This multi-agency consultation process begins before the draft environmental document is prepared. A final air quality conformity determination is needed before the environmental document can be finalized. Since the proposed 710 Clean Truck Program would be the Project’s principal air quality improvement, EPA is requesting Metro and Caltrans to provide a written commitment to fund and implement the 710 Clean Truck Program as a condition of completing its review and allowing FHWA to issue the ROD.

In October 2018 EPA issued a white paper delineating all the requirements that, to them, would constitute the written commitment, including programming of funds towards program implementation. Metro Highway Program staff has been in negotiations with EPA since that communication and reached out to all local and regional agencies that helped initiate the 710 Project and through extensive coordination was able to develop a Memorandum of Understanding (MOU) in partnership with Caltrans, SCAG and the Gateway Cities Council of Governments supporting the commitment to the 710 Clean Truck Program. Metro Highway Program staff will continue negotiations with EPA and seek resolution to EPA’s concerns.

In response to EPA’s request, Caltrans and Metro have already established the MOU and re-affirmed that the Project’s environmental document is in itself a written commitment to the implementation of

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the 710 Clean Truck Program. Nevertheless, a Board commitment to provide funding for the 710 Clean Truck Program will support Metro's ability to negotiate effectively with EPA.

## **DISCUSSION**

The recommended Board action to program \$50 million in funding from Metro-controlled sources, including but not limited to Measure R, as "seed funding" for the 710 Clean Truck Program, to be made available contingent upon a ROD issued by FHWA for the 710 Project will accomplish three important goals -

- (1) Sending a strong signal from Metro to the EPA that Metro intends to fund and implement the 710 Clean Truck Program following FHWA issuing a ROD for the 710 Project,
- (2) Programming the initial funding to allow Metro to develop the 710 Clean Truck Program in partnership with regional stakeholders and regulatory agencies, and
- (3) Identifying the initial tranche of local funding that will allow Metro to leverage matching funds from state and federal discretionary grant programs to fulfill the Board's \$200 million funding target to support the implementation of the 710 Clean Truck Program.

### **Scope of the 710 Clean Truck Program**

To help determine the assessment of eligible Metro funding sources to provide "seed funding" for the 710 Clean Truck Program, staff first identified potential elements to be covered in the scope of the program. These elements include, but are not limited to, the following:

- Incentive funding (through voucher, lease, or other mechanism) to convert or replace diesel heavy-duty (Class 8) trucks to NZE or ZE technology,
- Supporting infrastructure to be built on or near the I-710 corridor to support the charging or fueling of NZE and ZE heavy duty trucks or to provide geolocation data monitoring truck usage, and
- Administration and staffing of the 710 Clean Truck Program.

Currently the development of the program is supported by the professional services contract for the Goods Movement Strategic Plan, which is set to expire by July 1, 2020. Staff will return with a recommendation on how best to administer and staff this program.

### **Assessment of Eligible Metro Funding Sources**

Following the identification of potential elements of the 710 Clean Truck Program, staff reviewed all available funding sources controlled by Metro - including local, state, and federal funding - and met with County Counsel to confirm that Measure R and M funds identified for the 710 Project may be used to implement the 710 Clean Truck Program, in addition to several other federal formula funding sources Metro controls.

Staff identified the following funding sources as eligible and appropriate sources to provide seed funding for the 710 Clean Truck Program (Table 1):

Table 1

## Potential Metro-Controlled Funding Sources for the 710 Clean Truck Program

Funding Source	Funding Capacity (\$ millions)	Funding Availability Start Date	Recommendation
Measure R <sup>1</sup> : Interstate 710 South and/or Early Action Projects	\$590	FY 21	Yes - timely availability and eligible for all potential elements of program
Measure M <sup>2</sup> : I-710 South Corridor Project (Phase 1)	\$250	FY 26	Not timely for "Seed Funding" purposes
Measure M <sup>2</sup> : I-710 South Corridor Project (Phase 2)	\$250	FY 32	Not timely for "Seed Funding" purposes
Congestion Mitigation & Air Quality (CMAQ) <sup>3</sup> : Metro formula funding	Subject to Short-Range Financial Forecast	Post FY 22	Potential use for clean truck funding for 710 Clean Truck Program
Regional Surface Transportation Block Grant Program (RSTBGP): Metro formula funding <sup>4</sup>	Subject to Short-Range Financial Forecast	Post FY 22	Potential use for infrastructure needs only for 710 Clean Truck Program

<sup>1</sup> Measure R Expenditure Plan, Line 37, Interstate 710 South and/or Early Action Projects ([https://media.metro.net/measure\\_R/documents/expenditure\\_plan.pdf](https://media.metro.net/measure_R/documents/expenditure_plan.pdf))

<sup>2</sup> Measure M Expenditure Plan ([https://theplan.metro.net/wp-content/uploads/2016/09/measurem\\_ordinance\\_16-01.pdf](https://theplan.metro.net/wp-content/uploads/2016/09/measurem_ordinance_16-01.pdf)): Line 20, I-710 South Corridor Project (Phase 1) and Line 28, I-710 South Corridor Project (Phase 2)

<sup>3</sup> Congestion Mitigation & Air Quality (CMAQ):

<https://www.transportation.gov/sustainability/climate/federal-programs-directory-congestion-mitigation-and-air-quality-cmaq>

<sup>4</sup> Regional Surface Transportation Block Grant Program (RSTBGP): <https://www.fhwa.dot.gov/specialfunding/stp/>

Given the need to program "seed funding" for the 710 Clean Truck Program, the need to leverage Metro-controlled funding with near-term discretionary grant opportunities, and the eligibility of funding required to cover the elements expected to be included in the 710 Clean Truck Program, staff recommends the use of the funding sources in Table 1 as the source for "seed funding" for the program, with Measure R funding as the most eligible and available source of funding for this program.

Development of the 710 Clean Truck Program

Metro staff, through the development of the Los Angeles County Goods Movement Strategic Plan and in consultation with its many regional stakeholders, previously identified the need to advance the deployment of cleaner truck technology throughout Los Angeles County as a means of improving air quality and reducing public health impacts associated with goods movement by all types of trucks throughout the county.

In support of this goal, staff convened the RCTI Working Group in December 2019 that comprised representatives from the spectrum of stakeholders necessary to develop, support and implement any type of clean truck program in Los Angeles County. The invited roster for this meeting included representatives from the following groups:

- Regulatory agencies (CARB, SCAQMD, California Public Utilities Commission)
- Caltrans District 7
- California Transportation Commission
- California Energy Commission

- Trucking industry representatives
- Community-based organizations and advocacy groups
- Air quality advocacy groups
- The Ports of Long Beach and Los Angeles
- Original equipment manufacturers
- Utilities
- Academic institutions
- Local and regional government agencies (SCAG, COGs, etc.)
- ZE and NZE technology experts and advocates.

Participants in this meeting held a robust discussion about the various challenges and opportunities in implementing cleaner truck technology across the county. A summary of this meeting can be found in Attachment A.

With the Board action (Motion 8.1) to place the development of the 710 Clean Truck Program within the Goods Movement Strategic Plan through the RCTI, staff will re-orient that group to focus on the 710 Clean Truck Program as an early action item. The 710 Clean Truck Program was conceptually defined in the 710 Project draft environmental document; now the details of program implementation will need to be developed. Following the January Board action, staff communicated by letter (Attachment B) to each RCTI stakeholder the results of Motion 8.1 and the need for more stakeholder input in advance of the next scheduled RCTI meeting on March 17, 2020 regarding several important questions and key issues that form the crux of the development of the 710 Clean Truck Program. These questions and the initial input gathered from RCTI stakeholders is found in Attachment C.

### Stakeholder Participation

Motion 8.1 directed staff to provide recommendations on how to encourage the participation of key regulatory agencies and stakeholders in the development of the program, with a specific focus on community-based organizations, non-profits, and community advocacy groups.

Central to the success of the 710 Clean Truck Program as developed through the RCTI is the participation of a robust and broad group of key stakeholders across communities, industries, and agencies that have a stake in and expertise in the deployment of cleaner truck technology throughout Los Angeles County.

As part of its communication with all identified stakeholders, staff asked for feedback on the following questions:

- What other community groups, non-profits, equity-focused groups, regulatory agencies, organizations, etc., need to be in the room to ensure a robust and inclusive stakeholder group as envisioned by the Metro Board?
- What aspects of equity need to be identified and included in the development of the 710 Clean Truck Program? What are the key challenges and opportunities available in regards to advancing equity needs?

Additionally, staff met with the Coalition for Environmental Health and Justice (CEHAJ) on February 19, 2020 to discuss the 710 Clean Truck Program and seek recommendations on how best to work with key community-based organizations, non-profits and community advocacy groups to ensure their expertise and points of view are included in and help to shape the development of the program.

Staff is receiving feedback from all of these stakeholders and will incorporate their recommendations and expand the roster of stakeholders responsible for developing the 710 Clean Truck Program accordingly to fulfill the Board directive.

### Equity Platform

The staff recommendation helps support and advance Metro's Equity Platform in the following ways:

I. Define and Measure:

- Metro will seek out and involve the diverse range of voices to collaborate on the development of the 710 Clean Truck Program and help define what equity is and how equity can be achieved through the development of this program.

II. Listen and Learn:

- Through the creation of the Regional Clean Truck Initiative, Metro staff invited members of the community-based organizations, non-profits, and environmental advocacy groups that have long desired cleaner trucks along I-710 South to have a seat at the table and work with Metro to develop this 710 Clean Truck Program.

III. Focus and Deliver:

- Metro has an opportunity to lead in this equity arena by developing the 710 Clean Truck Program to meet the goals of the I-710 environmental document as well as community goals on a progressive path toward a ZE truck corridor for I-710.
- Metro also has the opportunity to lead in bringing together equity-focused groups to help develop the 710 Clean Truck Program and develop an ongoing conversation with these groups.
- Metro also has an opportunity to partner with Caltrans, the Ports of LA and Long Beach, and various agencies to fund and implement the infrastructure.

### **FINANCIAL IMPACT**

Adoption of the staff recommendation would commit Metro to programming \$50 million of Metro-controlled funding sources as identified in Table 1, including but not limited to a portion of the \$590 million identified in the Measure R Expenditure Plan for the 710 Project to the 710 Clean Truck Program which is a component of the project. As this funding source is specific to implementation of the 710 Project-including the 710 Early Action Program-and as the Board has approved the 710

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Clean Truck Program as the first Early Action Project for the 710 Project, this request will not affect any other existing Board commitment but will reduce the amount of Measure R funding available for the remainder of the 710 Early Action Program, which will be defined in the near future.

### Impact to Budget

The recommended \$50 million will include from the onset 710 Project Measure R funding. Any such funding needed in FY21 would be in addition to the existing preliminary budget request for the Project in FY21. This funding recommendation may ultimately be spread across additional fiscal years. Staff will also review and recommend the use of other funding sources from Table 1 to offset Measure R funding for the 710 Clean Truck Program “seed funding” recommendation. Staff will also develop a cash flow and funding plan for the 710 Clean Truck Program once it is developed to clarify in what fiscal years these funding sources will need to be drawn down.

As the funding recommendation is only 25% of the target set by the Board for this program, staff will seek additional state, federal and private funding sources to leverage this local commitment and reduce the demand on Measure R funding available for the 710 Project.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The staff recommendation supports Metro’s strategic plan in multiple ways:

Goal #1: Provide high-quality mobility options that enable people to spend less time traveling:

Development of the 710 Clean Truck Program will support Metro’s ability to secure a ROD for the entire 710 Project, thus allowing for the implementation of various interchange and facility improvements on I-710 and local projects in adjacent communities to provide safer and greater mobility opportunities along the I-710 South corridor.

Goal #2: Deliver outstanding trip experiences for all users of the transportation system:

Improvements planned for I-710 South will help alleviate congestion and improve safety along the highway and at key interchanges, with a focus on potential car vs. truck conflicts inherent on the major highway that serves freight demand in Los Angeles County.

Goal #3: Enhance communities and lives through mobility and access to opportunity:

In addition to improving multimodal mobility options through the Early Action Program to be designed with input from the Gateway Cities Council of Governments, this project will provide much-needed emissions reductions in the corridor impacting communities adjacent to I-710.

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

Reduction of harmful tailpipe emissions associated with the movement of goods by diesel-fueled trucks in Los Angeles County-specifically along the I-710 South Corridor-will require Metro to



convene a regional, collaborative, and focused group of stakeholders to support this overall goal.

The development of the 710 Clean Truck Program will specifically require Metro to understand and overcome existing barriers to implementation such as traditional technology, infrastructure, policies, funding, and institutional arrangements.

Metro has already started the process by bringing together a Regional Clean Truck Initiative to convene stakeholders to address these questions.

### **ALTERNATIVES CONSIDERED**

Staff considered delaying the approval of seed funding for the 710 Clean Truck Program until further negotiations with EPA regarding the 710 Project were completed, but this delay would not support the Board's goal to accelerate the deployment of NZE/ZE truck technology for the 710 Corridor. The commitment to program seed funding this month also provides a good faith signal to EPA that Metro will fund the 710 Clean Truck Program contingent upon FHWA issuing the 710 Project ROD.

Staff also considered a smaller funding request to serve as "seed funding" for the 710 Clean Truck Program, but determined that the amount recommended (\$50 million) would provide a 25% local funding commitment that will support Metro's ability to secure matching state, federal and private funding for the 710 Clean Truck Program to meet the Board's approved \$200 million program target.

### **NEXT STEPS**

Highway Program staff will work with EPA to identify the path forward to obtaining concurrence on project-level air quality conformity and approving the FEIR/FEIS for the 710 Project and to securing the ROD from FHWA.

Planning staff will continue to meet regularly with the Regional Clean Truck Initiative working group to develop a framework for implementing the 710 Clean Truck Program and will report back to the Board on a regular basis with updates on the progress of the framework. Through this process Planning staff will work with the Gateway Cities Council of Governments to gain input on potential local funding strategies to support the \$50 million commitment of Metro-controlled funds for the 710 Clean Truck Program.

Planning staff will develop the cash flow for the \$50 million commitment of Metro-controlled funding, including final funding recommendations for Measure R, Measure M, CMAQ and RSTBGP funding identified in Table 1, and report back to the Board once completed.

Planning staff will identify potential sources of state, federal and private funding to leverage the \$50 million commitment of Metro-controlled funds for the 710 Clean Truck Program and report back with strategies to secure funding through upcoming discretionary grant opportunities.

**ATTACHMENTS**

Attachment A - Regional Clean Truck Initiative Working Group Summary (December 2019) and Appendices

Attachment B - March 2020 Regional Clean Truck Initiative Working Group Meeting Invitation


Attachment C - Development of the 710 Clean Truck Program

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Phillip A. Washington  
Chief Executive Officer

## ATTACHMENT A

Regional Clean Truck Initiative Working Group Summary (December 2019) and  
Appendices

[http://libraryarchives.metro.net/DB\\_Attachments/2020-0129%20Attachment%20A.pdf](http://libraryarchives.metro.net/DB_Attachments/2020-0129%20Attachment%20A.pdf)



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## ATTACHMENT B

February 6, 2020

### **RE: Invitation to the second Regional Clean Truck Initiative Working Group meeting**

Thank you for your continued collaboration with Metro in developing our **Regional Clean Truck Initiative**. Your participation, input and commitment will prove instrumental to the successful development of a program to deploy cleaner truck technology to reduce tailpipe emissions in Los Angeles County generated from diesel-fueled trucks that move goods along our highways and through our communities.

The next meeting of the Regional Clean Truck Initiative Working Group is scheduled for **March 17, 2020 from 1:00 PM – 4:00 PM** at the Gateway Cities Council of Governments headquarters, located at 16401 Paramount Boulevard in Paramount, CA 90723. An Outlook Invitation will be sent to you shortly to solidify this date on your calendar – to RSVP, please simply respond to the invitation.

We very much appreciate those that were able to attend our last meeting in December, which was very productive. The summary of the meeting is included with this correspondence (Attachment A) for your review. Attached please find presentations we made in January regarding our Goods Movement Strategic Plan and the Regional Clean Truck Initiative to the Metro Planning and Programming Committee and the VerdeXchange panel on *Environmental Justice and Community Based Planning Case Study: Goods Movement in the I-710 Corridor* (Attachments B and C, respectively).

Our collective efforts to develop this initiative were recognized and elevated by the Metro Board of Directors at its January 2020 board meeting. Directors Janice Hahn and Hilda Solis, along with co-authors Chairman James Butts and Directors Robert Garcia and Ara Najarian, introduced Motion 8.1 (Attachment D) which directed that the development of the I-710 South Corridor Clean Truck Program be handled through the Metro Goods Movement Strategic Plan as “an early focal point for the Regional Clean Truck Initiative” which is intended to be countywide in nature and inclusive of the I-710 program.

Metro’s Goods Movement Planning team is directed to report back to the Board this March on a framework for implementation of the I-710 Clean Truck Program. This report must include a response to three specific elements of Motion 8.1:

- *Development of implementation details, including eligibility requirements, institutional arrangements, management, staff resources, and administration*
- *Evaluation of different potential strategies to accelerate progressive transition to Zero Emission trucks in the I-710 corridor*
- *Recommendations on how to encourage participation of key regulatory agencies and stakeholders in the development of the program, with a specific focus on community-based organizations, non-profits, and community advocacy groups.*

We will need your help to accomplish this important goal.

To respond to this direction from our Board of Directors in a timely manner, and to inform the discussion at our March 17<sup>th</sup> meeting, our team will be reaching out very soon to you individually with questions specific to your particular organization's expertise and mission.

We will also be posing the following questions to all stakeholders:

- What are the key elements (e.g., funding, infrastructure, policy) necessary to develop and implement a successful Clean Truck Program for the I-710 South Corridor?
- What does a collaborative, effective institutional arrangement supporting the I-710 Clean Truck Program look like to ensure long-term success in deploying cleaner truck technology on the corridor?
- How do we build upon existing efforts like the Ports' Clean Air Action Plan and avoid redundancies and inefficiencies in deploying this program?
- What is a reasonable "progressive transition to Zero Emission trucks" and what are the pressing concerns that must be addressed to allow for such a transition over the next 10 years to be expedited?
- What should an implementable first phase of a Clean Truck Program for the I-710 South Corridor look like, in terms of length, scope, etc.?
- What other community groups, non-profits, equity-focused groups, regulatory agencies, organizations, etc., need to be in the room to ensure a robust and inclusive stakeholder group as envisioned by the Metro Board? The invited roster for our last meeting is included with this letter (Attachment E) for your review.
- What aspects of equity need to be identified and included in the development of the I-710 Clean Truck Program? What are the key challenges and opportunities available in regards to advancing equity needs?

**We would appreciate receiving your responses to these questions and our additional questions by February 26<sup>th</sup>, 2020.** If you would prefer to set up a conference call or meeting to provide these responses and discuss the Regional Clean Truck Initiative in general, please let us know so that we can arrange a time in the next three weeks. Please contact Akiko Yamagami ([YamagamiA@metro.net](mailto:YamagamiA@metro.net)) with your responses to these questions or any request for a phone conversation or meeting during this three-week period.

At the March 17<sup>th</sup> meeting we anticipate discussing the key findings from the December 2019 meeting, providing an update on the responses to these follow-up questions, and hosting a facilitated roundtable discussion on the development of the I-710 South Clean Truck Program as part of our Regional Clean Truck Initiative. The outcomes of our ongoing discussion with you and our key stakeholders will be presented as part of our response to Motion 8.1 to the Metro Board of Directors at their March 2020 meeting.

We highly value your expertise and knowledge regarding our regional goal to implement cleaner trucks as soon as possible in Los Angeles County, and we look forward to your participation at this upcoming meeting and to our ongoing conversations in support of the Los Angeles County Goods Movement Strategic Plan, the Regional Clean Truck Initiative, and the I-710 South Corridor Clean Truck Program.

With great appreciation,

A handwritten signature in dark ink, appearing to read "Michael Cano", with a long horizontal flourish extending to the right.

Michael Cano  
Metro | Deputy Executive Officer, Goods Movement

Attachments:

- A. Regional Clean Truck Initiative Working Group Meeting Summary (December 2019)
- B. Presentation to Metro Planning and Programming Committee (January 2020) [Link](#) to the document
- C. VerdeXchange Conference Presentation on *Environmental Justice and Community Based Planning Case Study: Goods Movement in the I-710 Corridor* (January 2020)
- D. LA Metro Board Motion 8.1 [Link](#) to the document
- E. Invited Roster for Regional Clean Truck Initiative (December 2019)

**Development of the 710 Clean Truck Program**

To support Metro's development of the 710 Clean Truck Program, staff reached out in advance of the upcoming March 17 Regional Clean Truck Initiative Working Group meeting to key stakeholders seeking a response to the following questions:

- What are the key elements (e.g., funding, infrastructure, policy) necessary to develop and implement a successful Clean Truck Program for the I-710 South Corridor?
- What does a collaborative, effective institutional arrangement supporting the I-710 Clean Truck Program look like to ensure long-term success in deploying cleaner truck technology in the corridor?
- How do we build upon existing efforts like the Ports' Clean Air Action Plan and avoid redundancies and inefficiencies in deploying this program?
- What is a reasonable "progressive transition to Zero Emission trucks" and what are the pressing concerns that must be addressed to allow for such a transition over the next 10 years?
- What should the first phase of a Clean Truck Program for the I-710 South Corridor look like, in terms of length, scope, etc.?

In addition to these questions, staff is seeking more details from each stakeholder regarding their respective areas of expertise that will be helpful in developing the program. Answers received from these questions will help develop the framework for creating and implementing the 710 Clean Truck Program and for the evaluation of potential strategies to accelerate progressive transition to ZE trucks in the I-710 corridor, as requested by Motion 8.1.

Following the March 17 RCTI meeting, staff will provide an update to the Board on the results of that meeting and progress made toward developing the program, with more information to help delineate the details of the 710 Clean Truck Program as requested in Motion 8.1. Additionally, staff will need to work with EPA to ensure that the structure and scope of the program meets their expectations and will support the issuance of the ROD by FHWA.

Development of the 710 Clean Truck Program will require resolution of key issues through discussion with RCTI stakeholders to ensure the recommended program can be implemented and accomplish the goals of the Board.

Metro seeks responses to the following questions, at a minimum, to help resolve these key issues:

**What is the appropriate mechanism or delivery model for incentivizing the transition from diesel to NZE/ZE trucks?**

- Current programs like the HVIP (Hybrid and Zero Emission Truck and Bus Voucher Incentive Program) provide subsidies designed to cover the incremental market cost of purchasing an NZE/ZE truck over a diesel one.
- Feedback from the RCTI suggests that the amount of subsidy provided is not enough to cover the total cost of conversion, while other stakeholders suggest that a different delivery model, such as leasing, might be more effective.
- Additional feedback from the trucking industry expresses concern that the standard for NZE has not yet been clarified by regulatory agencies, and the lack of clarity may cause risk for drivers that want to switch to NZE and then be deemed out of compliance with future rule setting by regulatory agencies before the useful life of the truck technology is exhausted.

**What is the state of readiness for ZE technology, and what is the role of NZE technology in the interim?**

- The combination of concerns over readiness and reliability of ZE technology for trucks and the presence of electric power or hydrogen fueling stations available to charge/fuel and maintain operation of these trucks creates a barrier to adoption from truck owners.
- Meanwhile, NZE trucks (typically fueled by natural gas) are available at greater scale in the near term and reduce up to 90% of NOx and 100% of diesel particulate matter tailpipe emissions compared to ZE trucks.

**How can Metro and other agencies best invest in infrastructure that supports the acceleration of ZE technology adoption?**

- What type of infrastructure needs to be developed and implemented currently to support the ZE operations of the future along I-710?
- What programs are in place or being developed to address this issue? The Los Angeles Cleantech Incubator (LACI) is seeking funding for an application to identify charging infrastructure implementation along I-710, for example.
- Discussion also has emerged regarding the potential for congestion pricing related concepts along I-710 that would prioritize NZE and ZE trucks over diesel trucks.



**What efforts are underway in the region to accelerate the deployment of NZE/ZE truck technology, such as the Ports' Clean Air Action Plan?**

- The Ports of Long Beach and Los Angeles are implementing a Clean Truck Fund Rate designed to capture drayage trucks that service the Ports.
- How can the 710 Clean Truck Program complement this effort and identify the remainder of trucks using I-710 to ensure additional clean truck technology implementation above and beyond that generated by the Ports?

**What are the funding opportunities available to leverage local funding with state, federal and private funding sources to maximize investment in implementing the 710 Clean Truck Program?**


- While state gas tax funds that support most Senate Bill 1 programs are not eligible for clean truck subsidies due to Article XIX restrictions, programs like the Trade Corridor Enhancement Program, which also uses federal funding, could fund applications for clean truck subsidies and infrastructure using federal funds.
- SCAQMD, CARB, and various state and regional agencies have funding opportunities available to match "seed funding" provided by Metro for an early phase of the 710 Clean Truck Program.

**What existing policy and legislative barriers or regulations need to be modified to support the acceleration of NZE and ZE truck technology adoption along the I-710 Corridor and countywide?**

- One early recommendation is to exempt the purchase of NZE and ZE trucks from sales taxes, similar to how AB 784 (Mullin) exempts ZE buses.
- Also, truck drivers that accept a subsidy from the state to purchase an NZE or ZE truck are then taxed because that subsidy is considered income – eliminating this subsidy from being counted as income for tax purposes would encourage the early adoption of NZE and ZE technology ahead of regulatory requirements.

**What are the key equity-related concerns with the scope and implementation of the 710 Clean Truck Program that need to be identified and resolved?**

- Several community-based organizations have expressed concern that funding NZE technology early on may detract from Metro's commitment to implement ZE-only technology on the I-710 corridor.
- How can Metro best accomplish the greatest reduction in truck emissions along I-710 in the near-term with NZE technology while supporting the development of ZE technology as the future for the I-710 corridor, given limited resources?

The background of the slide is a photograph of a port. In the foreground, there are several stacks of shipping containers. Some are red, some are green, and some are white. The word "EVERGREEN" is visible on the green containers. In the background, there are large green cranes and a blue sky. The image is partially obscured by a black rectangular box containing white text.

# Item #2

## Motion 8.1 Response:

### 710 Clean Truck Program

Planning and Programming Committee  
March 18, 2020-



Metro

# Motion 8.1 – January 2020

## **Motion by Directors Hahn, Solis, Butts, Garcia and Najarian**

- ✓ Directed that the 710 Clean Truck Program be developed as an Early Action Item under both the Goods Movement Strategic Plan and 710 Project
- ✓ Report back in 60 days with a framework for implementation of the 710 Clean Truck Program. Delineate the following, at a minimum:
  - Assessment of eligible Metro funding sources and recommendations for seed funding
  - Development of implementation details
  - Evaluation of potential strategies to accelerate progressive transition to ZE trucks in 710 Corridor
  - Recommendations on how to encourage participation of key regulatory agencies, stakeholders (focus on CBOs, non-profits, community advocacy groups)

# 710 Clean Truck Program: Potential Funding

Funding Source	Amount (millions)	Available	Eligibility
Measure R	\$590	FY 2021	Eligible for all components
Measure M – Phase 1	\$250	FY 2026	Eligible for all components
Measure M – Phase 2	\$250	FY 2032	Eligible for all components
Congestion Mitigation & Air Quality (CMAQ)	TBD*	TBD*	Eligible for clean truck technology
Regional Surface Transportation Block Grant Program (RSTBGP)	TBD*	TBD*	Eligible for supporting infrastructure (i.e., charging stations)

*\*Subject to Short Range Financial Forecast*

**\$50 million seed funding recommendation for 710 Clean Truck Project =  
4.6% funding allocated to 710 Project in Measures R and M**



# Robust Stakeholder Participation

## Regional Clean Truck Initiative Working Group Roster (as of today)

Public Agencies	Trucking Industry	Freight / Business Industry	Research/Think Tank	Utilities / State Agencies	CBO /Public Health
<ul style="list-style-type: none"> <li>• Gateway Cities COG</li> <li>• South Bay Cities COG</li> <li>• San Gabriel Valley COG</li> <li>• County of Los Angeles/County Supervisors Offices</li> <li>• City/Mayor of LA</li> <li>• SCAG</li> <li>• Metro Board offices</li> <li>• Metro</li> </ul>	<ul style="list-style-type: none"> <li>• California Trucking Industry</li> <li>• Harbor Trucking Industry</li> <li>• UPS</li> <li>• BYD Motors</li> <li>• Clean Energy Fuels</li> <li>• Cummins Westport</li> <li>• US Hybrid</li> <li>• CA Fleet Solutions</li> <li>• NEXT Trucking</li> </ul>	<ul style="list-style-type: none"> <li>• Future Ports</li> <li>• Pacific Merchant Shipping Association</li> <li>• LA Chamber</li> <li>• BizFed</li> <li>• Ports of LA/LB</li> <li>• LAEDC</li> </ul>	<ul style="list-style-type: none"> <li>• LA Cleantech Incubator</li> <li>• METRANS (USC/Cal State Long Beach)</li> <li>• CALSTART</li> </ul>	<ul style="list-style-type: none"> <li>• CA Public Utilities Commission</li> <li>• So Cal Edison</li> <li>• So Cal Gas</li> <li>• CA Air Resources Board</li> <li>• CA Energy Commission</li> <li>• SCAQMD</li> <li>• CA Transportation Commission</li> <li>• Caltrans</li> </ul>	<ul style="list-style-type: none"> <li>• California Endowment</li> <li>• Coalition for Environmental Health and Justice (CEHAJ)</li> <li>• Environmental Protection Agency</li> <li>• Coalition for Clean Air</li> <li>• Breathe LA</li> <li>• NRDC</li> <li>• Communities for a Better Environment</li> </ul>

### Equity Outreach: Meeting with Coalition for Environmental Health and Justice (CEHAJ)

- Briefed CEHAJ on development of 710 Clean Truck Program (February 2020)
- Sought input on equity issues, participation, structure of program
- Requested answers to key stakeholder questions in advance of next RCTI meeting to incorporate into program development

# Developing the 710 Clean Truck Program

Work with the Regional Clean Truck Initiative Working Group (RCTI) to develop and implement a regional clean truck program for LA County

Within the RCTI, focus on 710 Clean Truck Program as early action item to deliver

Next meeting: March 17, 2020 @ Gateway COG HQ (1pm – 4pm)

## **Main topics to discuss in RCTI meetings:**

- Develop administrative framework to support this program
- Identification of 710 Corridor truck drivers to prioritize
- Develop mechanism for providing trucks or incentive funding
- Identify funding opportunities – state/federal/private to leverage local \$
- Assess readiness of truck technology and cost to convert
- Identify & prioritize supporting infrastructure for NZE/ZE truck technology
- Synergy with Ports of LA/LB Clean Air Action Program/Clean Truck Rate
- Recommend legislative/policy barriers or regulations to modify
- Develop and implement equity considerations

# The 710 Project – Critical Path

- March 2018:** Metro Board approved EIR/EIS for the 710 Project, including the 710 Clean Truck Program as a component of the project
- October 2018:** EPA sends preliminary information for the 710 Clean Truck Program Written Commitment to Metro
- October 2019:** Metro/Caltrans responds to EPA, proposes MOU as commitment
- March 2020:** EPA responds to Metro, requests meeting in April 2020
- March 2020:** Metro Board considers \$50 million in “seed funding” for 710 Clean Truck Program
- April 2020:** Discussion/Negotiation with EPA to secure concurrence to allow FHWA to issue Record of Decision
- July 2020:** Grant applications for CTC Trade Corridor Enhancement Program (TCEP) due – potential application for 710 Clean Truck Program