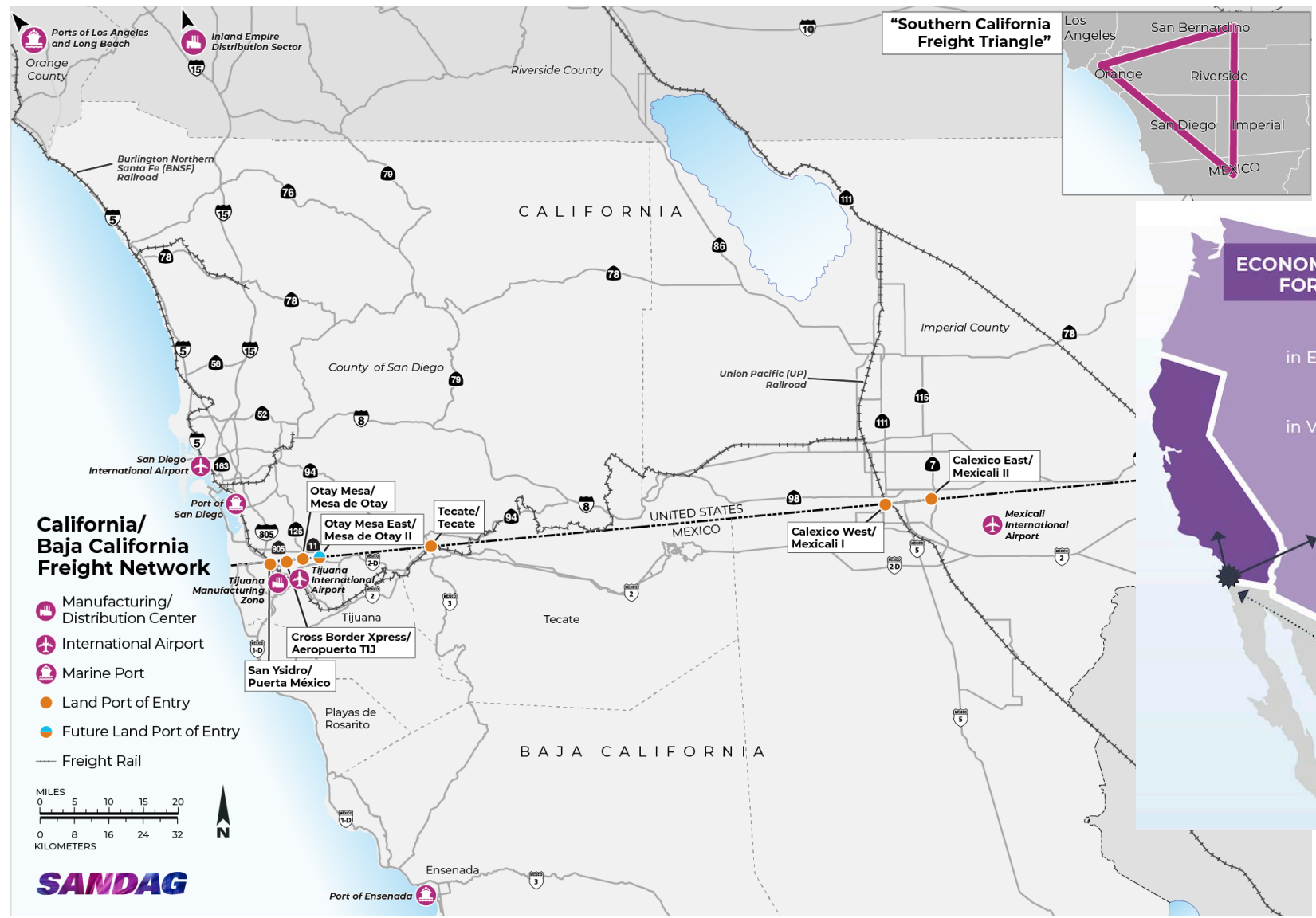




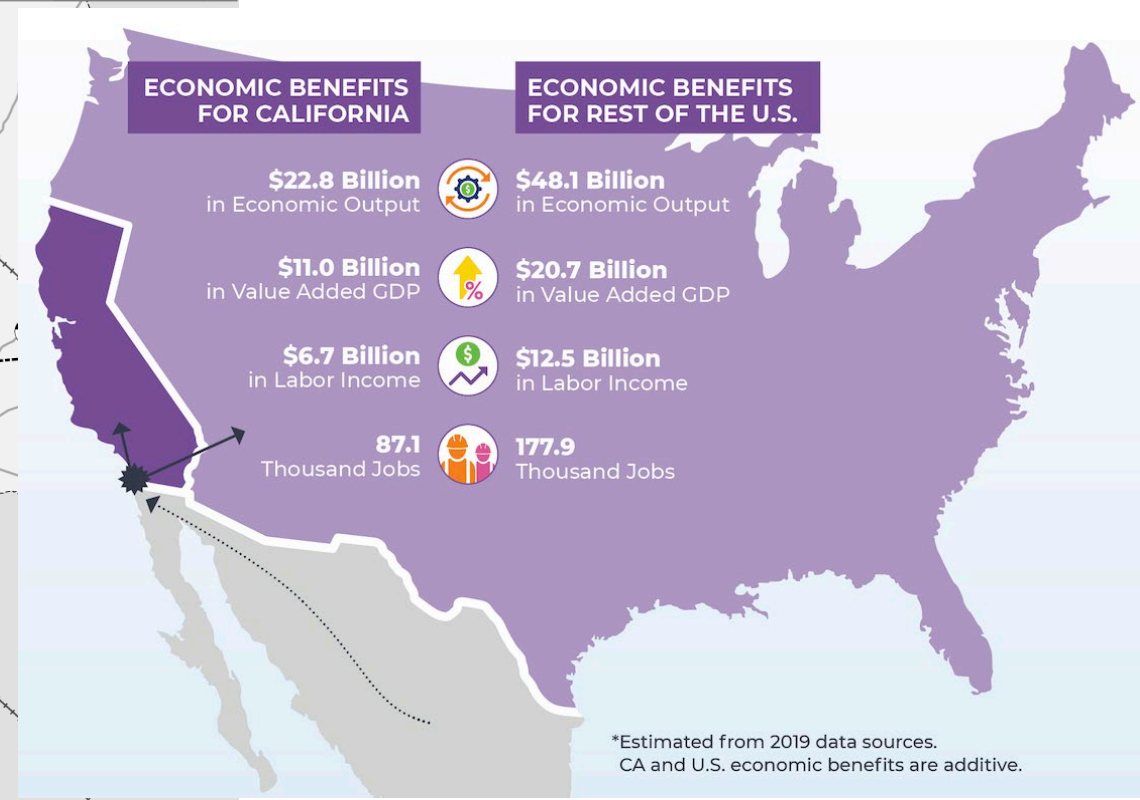
Zero Emission Freight Transition at the CA-BC Border

California Transportation Commission
May 17-18, 2023

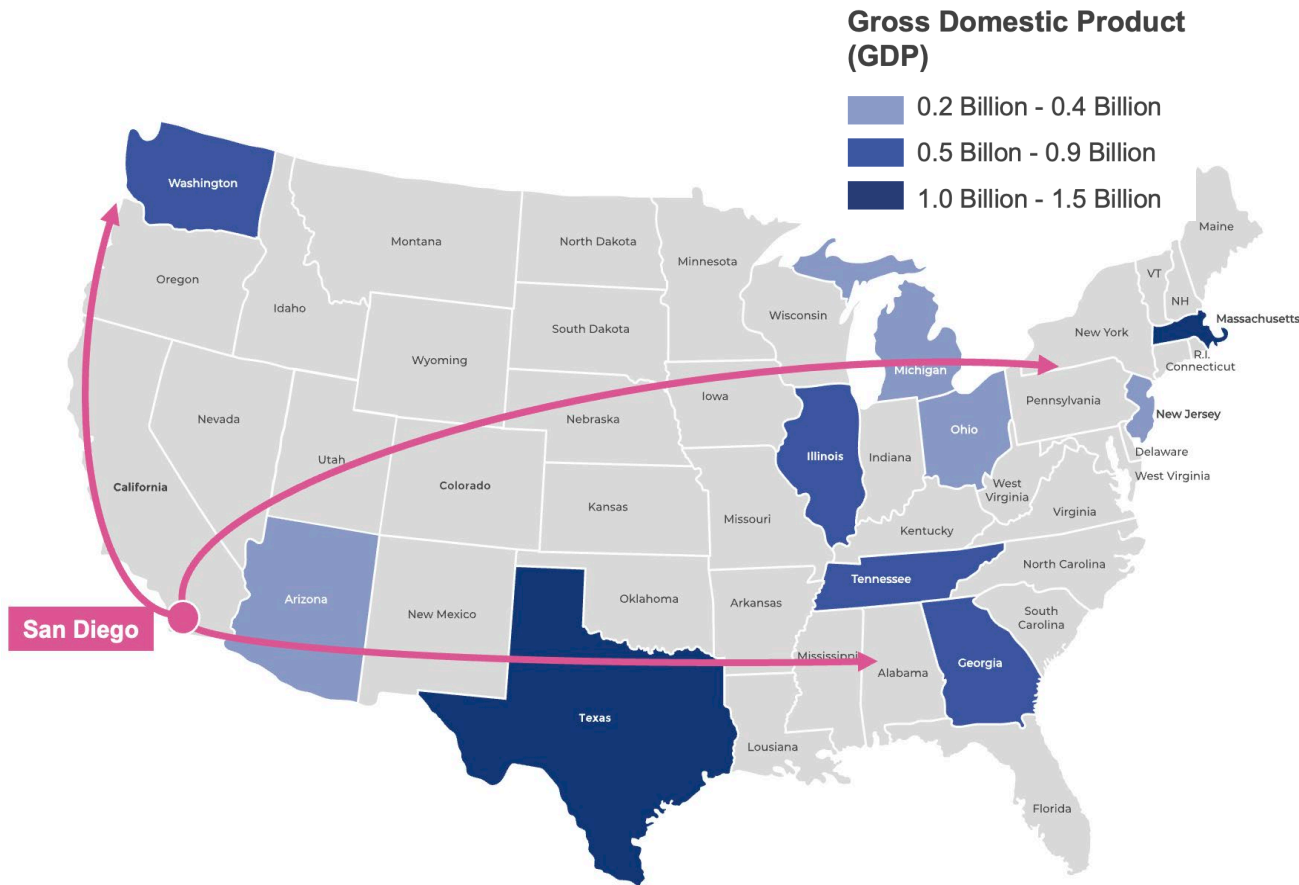
Border Region Freight Flows: The Core of California's Freight Economy



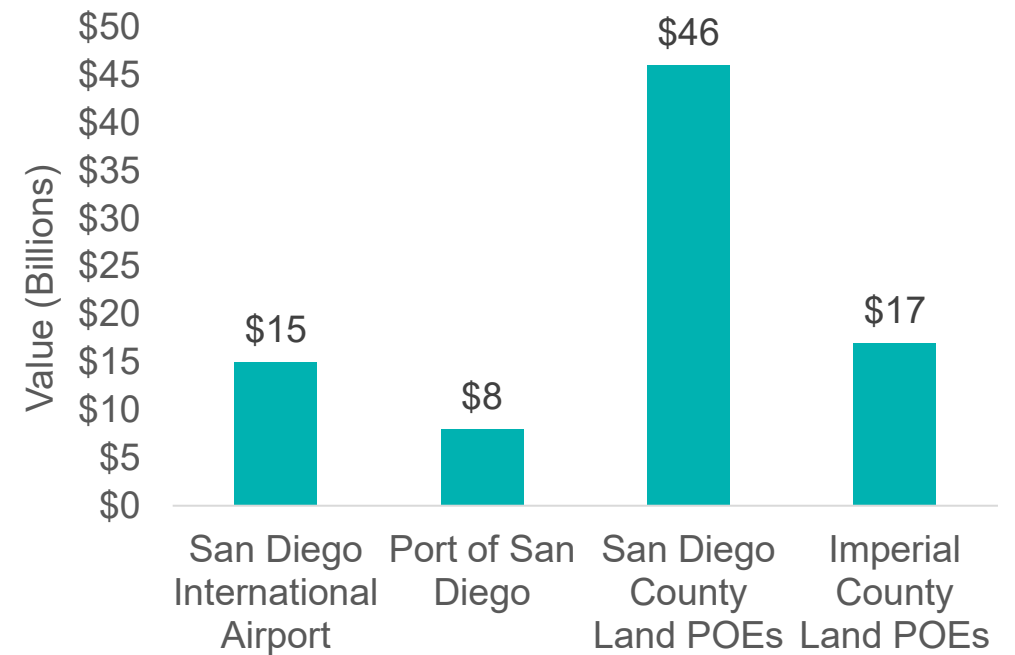
Over 1.4 million northbound trucks moved through the region's three commercial Land Ports of Entry in 2021, with an assumed equal number of southbound trips.



Border Region Freight Flows: The Core of California's Freight Economy



2019 Freight Value through Regional Gateways



Source: OME Economic Value of Cross Border Freight Study – SANDAG October 2022

Border Region Policy and Industry Challenges

- New regulations forcing carriers to re-think their entire supply chains.
 - Timing of routes, number and type of drivers, locations of routes and stops, cost of operating, vehicle purchasing and maintenance, training, and safety
- Companies face unknowns with new zero-emission vehicles, citing overall cost of driving as main concern



Benefits of Zero Emission Freight

- **San Diego International Border Community**
 - Designated through AB 617 and CARB Community Air Protection Program
 - Highest traffic percentile in state and PM2.5 levels in 95+ percentile (CalEnviroScreen)
 - 27,000+ San Ysidro residents have Population Burdens
 - 86+ percentile for poverty
 - 79+ percentile for unemployment
 - 89+ percentile for education
 - 85+ for linguistic isolation
 - Poverty levels and limited income hinders ability to protect against pollution exposure and environmental impacts



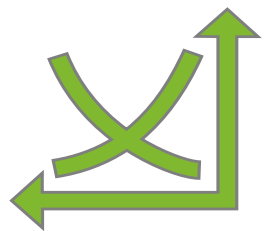
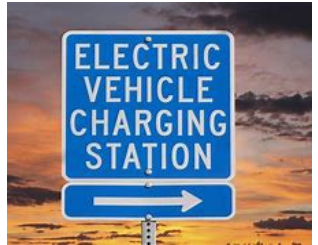
Challenges

Four areas of policy challenges identified

- Inconsistency in California and Mexico Industry and Air Quality Regulations
- Range, Weight, and Cost Limitations of Battery Electric Trucks
- Charging and Fueling Infrastructure and Truck Parking
- Messaging and Outreach

Economic implications

- Costs could be significant for medium- & heavy-duty truck operators
- Regulations for 'high priority fleets' in 2024 could represent a penalty in unclear regulatory and infrastructure context
- Higher shipping costs can lead to some decline in marginal economic activity, rise in prices from producer to consumer



Opportunities

- Build infrastructure near, at, and south of border
- Streamline permitting
- Implement pilot projects
- Reduce border wait times
- Use creative tolling
- Focus on hydrogen technology
- Consider overweight corridors
- Explore exemptions, incentives
- Create border appointment system
- Strengthen training and outreach



Thank you.

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