

AMENDED IN ASSEMBLY MAY 8, 2018
AMENDED IN ASSEMBLY APRIL 30, 2018
AMENDED IN ASSEMBLY APRIL 2, 2018
AMENDED IN ASSEMBLY MARCH 19, 2018
CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 3015

Introduced by Assembly Member Caballero

February 16, 2018

An act to add Section 13978.9 to the Government Code, and to add Section 38592.7 to the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

AB 3015, as amended, Caballero. Marine terminal operations.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to approve a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030. The act requires the state board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan at least once every 5 years.

Existing law requires the Transportation Agency to prepare a state freight plan that provides a comprehensive plan to govern the immediate

and long-range planning activities and capital investments of the state with respect to movement of freight. Existing law requires the agency to establish a freight advisory committee that would assist the agency in the development of the state freight plan, as specified. The bill would require the state freight plan to include certain elements.

This bill would require the state freight plan submitted on or before December 31, 2024, to contain additional specified elements relating to the development of transportation infrastructure to support the introduction of intermodal—~~zero-emissions~~ *zero-emission and near-zero-emission* cargo handling equipment at California seaports and rail yards. The bill would require the agency to undertake certain activities with respect to the development of those additional elements. The bill would require the state board, by June 30, 2023, to develop a technical report with respect to the transition to zero-emission *and near-zero-emission* cargo handling equipment, as specified, and to ~~incorporate the findings of~~ *consider* the report in *the preparation of* subsequent updates of the scoping plan.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) In 2013, the Legislature passed Chapter 223 of the Statutes
- 4 of 2013, which required that the Transportation Agency develop
- 5 a state freight plan that provides for governance of the immediate
- 6 and long-range planning activities and capital investments of the
- 7 state with respect to the movement of freight.
- 8 (b) In 2014, the final California Freight Mobility Plan was
- 9 completed by the Transportation Agency and the Department of
- 10 Transportation in consultation with the California Freight Advisory
- 11 Committee, and submitted to the Legislature, Governor, California
- 12 Transportation Commission, Public Utilities Commission, and
- 13 State Air Resources Board.
- 14 (c) In July 2015, Governor Brown issued Executive Order No.
- 15 B-32-15, which directed the Secretary of Transportation, Secretary
- 16 for Environmental Protection, and Secretary of the Natural
- 17 Resources Agency to lead other relevant state departments in
- 18 developing an integrated action plan by July 2016 that “establishes

1 clear targets to improve freight efficiency, transition to
2 zero-emission technologies, and increase competitiveness of
3 California’s freight system.” Participating state departments include
4 the State Air Resources Board, Department of Transportation,
5 State Energy Resources Conservation and Development
6 Commission, and the Governor’s Office of Business and Economic
7 Development.

8 (d) In July 2016, the California Sustainable Freight Action Plan
9 was completed in response to Executive Order No. B-32-15 and
10 included recommendations on, amongst others, “[a] long-term
11 2050 Vision and Guiding Principles for California’s future freight
12 transport system,” and “[t]argets for 2030 to guide the State toward
13 meeting the Vision.”

14 (e) In May 2016, the State Air Resources Board released an
15 updated mobile source strategy which demonstrated how the state
16 can attain air quality standards for ozone and particulate matter by
17 2031, achieve greenhouse gas emission reduction targets of 40
18 percent below 1990 levels by 2030, continue progress towards 80
19 percent reduction by 2050, reduce petroleum usage by 2030, and
20 increase energy efficiency by 2030.

21 (f) In March 2017, the State Air Resources Board approved the
22 state SIP strategy, which along with the Sustainable Freight Action
23 Plan, Short-Lived Climate Pollutant Strategy, and Climate Change
24 Scoping Plan, serves as the basis for the implementation of the
25 mobile source strategy. The State Air Resources Board has
26 submitted the state SIP strategy to the USEPA for approval.

27 (g) The state, acting by and through the State Air Resources
28 Board, currently controls emissions from cargo handling equipment
29 (CHE) at California’s seaports and intermodal rail yards under the
30 Regulation for Mobile Cargo Handling Equipment at Ports and
31 Intermodal Rail Yards (Section 2479 of Title 13 of the California
32 Code of Regulations). The regulation establishes best available
33 control technology for new and in-use CHE that operates at
34 California’s ports and intermodal rail yards. The rules are
35 applicable to all diesel-fueled equipment used at a California port
36 or intermodal rail yard to lift or move containers, bulk or liquid
37 cargo, or to perform routine or predictable maintenance and repair
38 activities. Equipment that handles cargo containers includes yard
39 trucks, top handlers, side handlers, reach stackers, forklifts, and
40 rubber-tired gantry (RTG) cranes. Equipment that is used to handle

1 bulk cargo includes dozers, excavators, loaders, and railcar movers.
2 Forklifts, aerial lifts, and other types of equipment used in
3 maintenance operations at ports and intermodal rail yards are also
4 considered CHE for the purposes of that regulation.

5 (h) Efforts by the state, private industry, and seaports that have
6 resulted in emissions reductions and improvements in
7 environmental quality at California's seaports over the past decade
8 have been substantial, significant, and unprecedented.

9 (i) Improving the efficiency of California's freight transport
10 system is vital to the state's economy. Traditional routes of moving
11 freight face increasing competition from across the globe, and
12 California's system should anticipate and stay ahead of these
13 changes. Currently, California is the nation's largest gateway for
14 international trade and domestic commerce, with an interconnected
15 system of ports, railroads, highways, and roads that allow freight
16 from around the world to move throughout the state and nation.
17 This system is responsible for one-third of the state's economic
18 product and jobs, with freight-dependent industries accounting for
19 over seven hundred and forty billion dollars (\$740,000,000,000)
20 in gross domestic product and over five million jobs in 2014.
21 However, California's freight transport system is under pressure
22 to serve our growing population and satisfy dynamic market
23 demands, while other locations in the United States and across the
24 world are fiercely competing for this economic activity.

25 (j) Maintaining the state's cargo competitiveness is not just an
26 imperative for the economic health of California but is necessary
27 to preserve reductions in emissions of greenhouse gases. Studies
28 have demonstrated that when California loses marketshare and
29 volumes of imports to other ports and gateways on the gulf and
30 Atlantic coasts that greenhouse gas emissions associated with this
31 diversion are substantial. Greenhouse gas emissions are on average
32 22 percent higher when cargo which originates in the Far East is
33 diverted from the west coast ports in favor of east coast and gulf
34 coast ports.

35 SEC. 2. Section 13978.9 is added to the Government Code, to
36 read:

37 13978.9. (a) In addition to the requirements of subdivision (c)
38 of Section 13978.8, the state freight plan submitted on or before
39 December 31, 2024, with respect to the development of
40 transportation infrastructure to support the introduction of

1 intermodal zero-emission *and near-zero-emission* cargo handling
2 equipment at California seaports and rail yards, shall include all
3 of the following:

4 (1) An identification of significant intermodal infrastructure
5 and equipment trends, needs, and issues.

6 (2) A description of freight policies, strategies, and performance
7 measures that will guide freight-related transportation infrastructure
8 investment decisions.

9 ~~(3) A description of how the state freight plan will facilitate~~
10 ~~consideration of the costs, cost effectiveness, and timelines for the~~
11 ~~development of the publicly owned freight-related transportation~~
12 ~~infrastructure investment necessary to support the transition to~~
13 ~~zero-emission *and near-zero-emission* cargo handling equipment.~~

14 ~~(4) A description of how the state freight plan is consistent with~~
15 ~~the State Air Resources Board scoping plan update adopted~~
16 ~~pursuant to Section 38592.5 of the Health and Safety Code, the~~
17 ~~California Sustainable Freight Action Plan, and the state board's~~
18 ~~mobile source strategy.~~

19 *(4) The identification and inclusion of nonautomated solutions*
20 *and technologies to be supported with respect to the development*
21 *of transportation infrastructure.*

22 (b) In developing the information described in subdivision (a),
23 the Transportation Agency shall do all of the following:

24 (1) In addition to consultation with the freight advisory
25 committee established pursuant to Section 13978.8, convene a
26 working group consisting of representatives of seaports, marine
27 terminal operators, ocean carriers, waterfront labor, cargo owners,
28 *environmental and community advocacy groups*, the State Air
29 Resources Board, the State Energy Resources Conservation and
30 Development Commission, the Public Utilities Commission, and
31 air quality management and air pollution control districts, to advise
32 the agency on the development of the information specified in
33 subdivision (a).

34 (2) Consider the technical report developed by the State Air
35 Resources Board pursuant to Section 38592.7 of the Health and
36 Safety Code with respect to zero-emission *and near-zero-emission*
37 cargo handling equipment.

38 (3) Consider the report developed pursuant to Section 38591.3
39 of the Health and Safety Code.

1 SEC. 3. Section 38592.7 is added to the Health and Safety
 2 Code, to read:

3 38592.7. (a) ~~No~~*Except as provided in subdivision (e), no* later
 4 than June 30, 2023, the state board shall develop a technical report
 5 with respect to the transition to zero-emission *and*
 6 *near-zero-emission* cargo handling equipment that includes all of
 7 the following:

8 (1) Evaluation of the cargo handling equipment commercially
 9 available to achieve zero-emission and near-zero-emission
 10 operations.

11 (2) The cost, cost-effectiveness, and cost-benefit analysis of
 12 cargo handling equipment commercially available to achieve
 13 zero-emission and near-zero-emission operations.

14 (3) The infrastructure required to support the operation of cargo
 15 handling equipment commercially available to achieve
 16 zero-emission and near-zero-emission operations.

17 (4) The cost, cost-effectiveness, and cost-benefit analysis of
 18 infrastructure to support the operation of cargo handling equipment
 19 commercially available to achieve zero-emission and
 20 near-zero-emission operations.

21 (5) Evaluation of cargo handling equipment to achieve
 22 zero-emission and near-zero-emission operations that is under
 23 research and development but is commercially unavailable.

24 (6) Evaluation of the ~~zero-emission cargo handling~~ *zero-emission cargo handling* equipment
 25 emissions reductions achieved under Section 2479 of Title 13 of
 26 the California Code of Regulations, and the cost, cost-effectiveness,
 27 and cost-benefit analysis of the performance of applicable rules
 28 related to cargo handling equipment.

29 (7) Evaluation of the relative benefits of introduction of
 30 zero-emission ~~zero-emission cargo handling~~ *zero-emission cargo*
 31 *handling* equipment at seaports and rail yards as compared to the
 32 requirements of Section 2479 of Title 13 of the California Code
 33 of Regulations with respect to the emissions of greenhouse gases,
 34 criteria air pollutants, diesel particulate matter, and other toxic air
 35 contaminants, and community health benefits for a disadvantaged
 36 community.

37 (8) *Evaluation of the commercial availability of non-automated*
 38 *zero-emission and near-zero-emission cargo handling equipment.*

1 (9) *Evaluation of the job and economic impacts of utilization*
2 *of zero-emission and near-zero-emission cargo handling*
3 *equipment.*

4 (b) *In developing the technical report pursuant to subdivision*
5 *(a), the state board shall consider the report developed pursuant*
6 *to Section 38591.3.*

7 ~~(b)~~

8 (c) *The state board shall consider and incorporate the findings*
9 *of the technical report created pursuant to subdivision (a) in the*
10 *preparation of all updates of the scoping plan occurring on and*
11 *after July 1, 2023.*

12 (d) *The state board shall not rely on the technical report*
13 *developed pursuant to subdivision (a) as the sole basis for adopting*
14 *regulations related to cargo handling equipment, including*
15 *amending Section 2479 of Title 13 of the California Code of*
16 *Regulations or its successor, to require the use of zero-emission*
17 *or near-zero-emission cargo handling equipment operating on an*
18 *automated basis without providing for an option for nonautomated*
19 *operation.*

20 (e) *If, prior to July 1, 2023, the state board adopts regulations*
21 *related to cargo handling equipment, including amending Section*
22 *2479 of Title 13 of the California Code of Regulations or its*
23 *successor, and includes in the initial statement of reasons for the*
24 *rulemaking analyses that are required for the development of the*
25 *technical report pursuant to subdivision (a), the requirements of*
26 *subdivision (a) are deemed to be satisfied and the initial statement*
27 *of reasons and the associated record of the rulemaking constitutes*
28 *the technical report required pursuant to subdivision (a). The state*
29 *board shall adopt a resolution stating its intent to substitute the*
30 *rulemaking for the development of the technical report pursuant*
31 *to subdivision (a).*