



Advanced Clean Fleets Truck Regulation Implementation Group: Border Agenda

December 4, 2023
10:00 am – 12:00 pm (PST)

Attendees:

- Rene Chavez – Volkswagen Truck and Bus Mexico
- Jail Ixel Cruz – UC Alianza México, Strategic Research Initiative
- Alejandra Mier y Teran – Otay Mesa Chamber of Commerce
- Alfonso Esquer - Fletes Esquer, S.A. de C.V.
- Angel Yin – BYD Ride
- Chelsea Lee – Better World Group
- Glenn Choe – Trader Motors Compliance
- Miguel Ogazon – ANPACT (Asociación Nacional de Productores de Autobuses, Camiones y Tractocamiones - National Association of Manufacturers of Buses, Trucks and Tractors)
- Nick Badillo –San Diego Gas & Electric
- Monique G. Lopez - San Diego Air Pollution Control District
- Chelsea Lee - Better World Group Advisors
- Glenn Choe - Toyota Motor North America
- Israel Delgado – CANACAR (Cámara Nacional del Autotransporte de Carga - National Chamber of Freight Transportation)
- Bruce Tuter – California Air Resources Board
- Brianneth Rocha - California Air Resources Board
- Annmarie Rodgers - California Air Resources Board
- Yousif Zardo - California Air Resources Board

Introduction: Bruce Tuter, MSCD, Truck Regulation Implementation Group

ACF Background: Bruce Tuter

- Regulation was adopted by Board April 28, 2023. Transitions fleets to ZEVs over the next decades and guarantees a vehicle has useful life for 13 years at a minimum

- Affects vehicles with a Gross Vehicles Weight Rating (GVWR) over 8,500lbs; off-road yard tractors; light duty mail and package delivery trucks
- Applies to drayage fleets, state and local governments, and fleets with either 50 million or more in gross annual revenue, or own, operate, or have common ownerships or control of a total of 50 or more vehicles

Purpose of the TRIG: Bruce Tuter

- To get ideas and recommendations from all and have a discussion
- Discuss successful implementation of the regulation
- The meeting is not to discuss changes in the regulation
- For facilitating constructive dialogue
- To foster relationships
- To develop recommendations and action items on key issues

Border Communities Groups

- Provide guidance and information about the many regulatory requirements for border fleets
- Work with border fleets on solutions to challenges
 - TRIG
 - Coordinate discussions with state agencies and others
- Explore and coordinate with communities

Informative Events

- Staff has conducted outreach at the border since October 2021
- Had 14 separate engagement efforts, including Ride and Drive events, outreach events, and regulatory training

California – Mexico Communities

The goals are to obtain more information about:

- What are the communities and financing questions?
- What are the technology opportunities?
- What academic research and data analysis should be done?
- What are any additional recommendations?

Panelist Presentations:

- **Rene Chavez** – Traton Group is dedicated to trucks and buses; works with VW, Scania, Man, and Navistar brands. Based in Queretaro, Mexico; to commercialize trucks and buses. VW and Man manufacturers. Truck Families: Family Delivery, Family Constellation, and MAN TGX. The lineup for buses; school buses, shuttle and city buses, and coach buses.
- **Alfonso Esquer** – Are vehicles sold in Mexico DOT-approved in the US?
- **Rene Chavez** – Currently they don't have DOT-approved vehicles, however, the European and US certifications are very similar, so yes, it's possible to be DOT-approved, but need to find the best solutions according to the requirements
- **Alejandra Mier** – How are the charging concerns being addressed? ZEVs are being sold but infrastructure is still lacking.

Jail Ixel Cruz, University of California Alianza MX

- Alianza MX is a program established in 2019 but is integrating system wide programs with UC Mexico and in the United States through nonprofits, NGOs, government, and more within different sectors or international organizations.
- Three focus areas: a) Research and Innovation that includes Strategic initiatives, b) Education and Training; involving academic exchange and continuous education, and c) Casa de California as a Conference Center.
- They have various binational collaborative research projects, strategic research, Latino studies projects, and most importantly in binational interests; they are responding to ZEV and HD vehicles.
- US-Mexico Taskforce on ZEV, launched in 2022 for the electrification of transport, as a multi-stakeholder coalition, led by UC Alianza MX, ITS in UC Davis, and the Mexican Ministry of Foreign Affairs.
- They are funding projects along the California – Mexico border for ZEV transition projects and infrastructure details. The objectives are to evaluate charging and fueling infrastructure needs for battery electric vehicles in the border region.
- They have future research priorities, such as extreme heat, marine conservation, farmworker health, biodiversity, and lithium and critical materials
- Visit alianzamx.universityofcalifornia.edu for more information.

Additional Comments:

- **Alejandra** – Suggests Cal Flea Advisor provide information on incentive programs aside from HVIP and ISEF for fleets in San Diego (SD) and border area. Fleet advisors should be knowledgeable on opportunities specific to SD area such as programs from air districts.

Open Discussion

Communication Channels

- Email or Blog for conversations between meetings
- **Barriers to Incentives and Financing**
- **Alejandra** – HVIP requires fleets to operate 50% in California and recommends mileage of Baja truckers count as California miles for eligibility purposes. This is a regional issue, not a political one, so the border affecting who can qualify for financial assistance affects the air quality of the whole region.
- **Alfonso** – Financing is critical for compliance and ZEVs are more expensive than others, and it is important to get financial assistance. Mexico also needs to create incentives programs.
- **Jail** – Mexico needs to develop opportunities for truckers and bring in North American Development Bank (NADBank) to develop opportunities.
- **Miguel** – ANPACT does not sell vehicles but can share OEM contact information on the different associates and the different financing opportunities.
- **Alejandra** – Recommendation for the group to analyze the specific regulation for trucks as a service, this is a new requirement in the border. If truckers cannot comply, truckers could use lease vehicles, but the group needs analyze border requirements and what that looks like.
- **Bruce** – Truck as a service provides a good opportunity and offers truck leases for truckers; provides charging, services, and information. Also want to know the implications of duties.
- **Alfonso** – Duties are not a problem. The trouble is getting financing from US companies for companies in Mexico. Companies that purchase vehicles in Mexico and bring them over to the US fall in a gray area and need additional financial support.
- **Rene** – Group needs to look at funding organizations and one that is pushed by the government.

Technology Innovation Opportunities

- **Rene** – Recommends ecosystem approach to develop solutions for infrastructure, especially for heavy duty vehicles. There is need to look at the technology first and go to electric companies to find what are the best options.

- **Jail** – Recommended making a summary of the discussion and opening it up for feedback and discussion so persons can comment more on the financing opportunities.

Academic Research and Data Analysis

- **Jail** – We can develop research and data analysis.
- **Bruce** – Supports the idea of developing an ecosystem to combine the data and recommendations with private organizations to be a part of the services, and ways to include information into research. Also, how to put all the things together, it does not have to just be tapping into the grid and charging, there can be additional options such as solar panels.
- **Alfonso** – Large companies transporting packages, such as Amazon and Walmart can offset their deliveries, but the truckers cannot, and it will reflect on the prices of items. There is concern that the market will change significantly causing energy supply issues for the near future.
- **Israel** – A big question is: how will we manage all the near future economic impacts? There is need to see data and existing studies by Baja UCs, and it is important to involve the Mexican party of the Baja state to determine how they will increase capacities, etc. There are many questions as to how truck owners are going to compete and how people will finance. This is going to be tied to CARB regulations and it is complicated to reach the schedules for actions that need to move quickly, especially in Mexico.
- **Jail** – Believes it is critical to bring in Mexico governments to these discussions.
- **Alfonso** – Aside from financing and infrastructure, vehicle supply is an important topic. There is also concern for drivers that must leave trucks charging in the US when it comes to CBP.
- **Bruce** – Wants to know about mileage for vehicles driving.
- **Alfonso** – Mileage is very complex depending on the state they are coming from.
- **Israel** – 85-90% of trucks coming in are for exportations. There are a lot of trucks coming from San Quitin.
- **Bruce** – Most of the vehicles discussed are trucks and trailers, meaning deadlines are in 2027 and there is some time to discuss what can be done; might also want to involve the federal government.

Next Steps:

- **Future meetings** – Should be quarterly; in-between communication should remain.
- Meeting type – Should be virtual or hybrid

- Deliverables – There is no deliverable to be completed for this meeting, it is mostly to communicate various topics.
- **Glenn Choe** – Would like to have deliverables to ensure progress.
- **Bruce** – Suggested as we send notes out that the group covers a deliverable.
- **Israel** – Recommends that in the next meeting, we bring in Mexico governments to share study results. Also, to learn if there is an area that CARB can facilitate a discussion for more weight capacity for truckers.

Academic Inclusion:

- **Jail** – From the group we can identify another research group.

Closing Remarks: Bruce Tuter

- **Jail** – Email is a good mode to get information out to group members.

Disclaimer: This information was produced in collaboration with members of the Truck Regulation Implementation Group and California Air Resources Board (CARB) staff. This information should not be cited or quoted as official Board policy or direction.

More information and meeting materials for this workshop are available on the Truck Regulation Implementation Group, Meetings and Events Page, web link: <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-fleets/meetings-events/truck-regulation-implementation-group>