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Sarah Rees, Deputy Executive Officer  
South Coast Air Quality Management District  
21865 Copley Dr.  
Diamond Bar, CA 91765

Submitted electronically

The California Trucking Association, the California Chamber of Commerce, and the **55** undersigned organizations submit this letter in strong opposition to the South Coast Air Quality Management District's (SCAQMD) proposed Warehouse Indirect Source Rule (ISR).

The draft ISR creates a complicated system of Warehouse Actions and Investments to Reduce Emissions (WAIRE) Points that must be earned by owners and operators of warehouses, mostly through a fee on warehouse operators or by turnover of already regulated mobile sources. This rule is a costly and duplicative effort that fails to achieve demonstrable improvements in air quality in the South Coast basin.

The goods movement system serves as the lifeblood of California's economy, delivering essential goods, services, and medicines. Never has this industry been more important than during the COVID-19 pandemic. Grocery store shelves have been stocked, vaccines delivered, and small retailers kept alive by e-commerce thanks to the power of the modern supply chain, allowing Californians to shelter in place and abate the spread of COVID-19.

Goods movement also powers blue-collar jobs vital to our economy. An estimated 1 in 22 jobs in Southern California are tied to the logistics industry.

California has the cleanest supply chain in the United States. Thanks to two decades of investment in the cleanest available equipment, including early adoption by our collective members, localized emissions associated with warehouses have never been lower, falling by over 95% in the last decade.



As you know, California is the only state in the nation with the power to regulate mobile sources pursuant to its waiver under federal Clean Air Act. The California Air Resources Board (CARB) has used this power to adopt the country's strictest emission laws, including adopting the world's first mandate to manufacture and sell zero-emission commercial vehicles. CARB has also stated its intent to adopt regulations by the end of 2021 that will require nearly every equipment type at warehouses to operate in a zero-emission mode.

SCAQMD's proposed Warehouse ISR is duplicative of these regulations, exceeds the District's authority to regulate mobile sources, and will create burdensome, expensive requirements for the supply chain for questionable environmental benefit.

SCAQMD has justified the draft rule by stating that additional action is necessary to address ozone and NOx concentrations in the basin. With respect to NOx, a recent technical analysis of the draft staff report found that SCAQMD does not adequately demonstrate that the proposed Warehouse ISR will provide NOx reductions beyond those generated by CARB regulations, despite the enormous costs that will be involved in complying with this rule.

Further, as stated during AQMD's Scientific, Technical & Modeling Peer Review Advisory Group Meeting on January 27, 2021, the small quantities of NOx reductions generated by this rule will not be sufficient to decrease the ozone concentrations in the basin.

Duplicative rulemaking by CARB and the SCAQMD that does not move the needle on environmental benefit in the basin not only wastes the state's resources, but unnecessarily increases the cost of compliance for an industry that is gearing up for the all-electric future envisioned by CARB and Governor Newsom. We ask SCAQMD to reconsider this untimely, duplicative, and costly regulation and work with industry to develop a rule that takes into account the emissions reductions due to CARB rulemaking and appropriately addresses emissions that are within the bounds of SCAQMD authority.

If you have any questions, please feel free to contact:

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Thank You,

California Trucking Association  
California Chamber of Commerce  
Beaumont Chamber of Commerce  
Big Bear Chamber of Commerce  
Building Owners and Managers Association of California  
Building Owners and Managers Association of Los Angeles  
Californians for Affordable and Reliable Energy  
California Beer and Beverage Distributors

California Business Properties Association  
California Business Roundtable  
California Distributors Association  
California Fuels and Convenience Alliance  
California Manufacturers and Technologies Association  
California Railroads Association  
California Retailers Association  
California Taxpayers Association  
Carson-Dominguez Employers Alliance  
Chino Valley Chamber of Commerce  
Construction Industry Air Quality Coalition  
Engineering Contractors Association  
Fontana Chamber of Commerce  
Futureports  
Greater Coachella Valley Chamber  
Greater High Desert Chamber of Commerce  
Greater Ontario Business Council  
Harbor Trucking Association  
Hemet/San Jacinto Chamber of Commerce  
Highland Area Chamber of Commerce  
Industry Business Council  
Inland Action  
Inland Empire Economic Partnership  
International Council of Shopping Centers  
International Warehouse Logistics Association  
Long Beach Area Chamber of Commerce  
Los Angeles Area Chamber of Commerce  
Los Angeles County Business Federation (BizFed)  
Moreno Valley Chamber of Commerce  
Murrieta/Wildomar Chamber of Commerce  
NAIOP of California  
NAIOP Inland Empire  
NAIOP SoCAL  
National Association of Chemical Distributors  
Orange County Business Council  
Pacific Merchant Shipping Association  
Perris Valley Chamber of Commerce  
Pomona Chamber of Commerce  
Rancho Cucamonga Chamber  
Rebuild SoCal Partnership  
Redlands Chamber of Commerce  
San Gabriel Valley Economic Partnership  
Southern California Leadership Council

Temecula Valley Chamber of Commerce  
Upland Chamber of Commerce  
Western Aerosol Information Bureau  
Wilmington Chamber of Commerce