(Date), 2021

Ian MacMillan

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South Coast Air Quality Management District

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Sent Via Email: imacmillan@aqmd.gov / vjuan@aqmd.gov

Subject: Comments on Proposed Rule 2305 (Warehouse Indirect Source Rule)

Dear Mr. MacMillan:

(Your name, organization, or company) opposes the adoption of Rule 2305 (Indirect Source Rule). Warehouses are integral to the Southern California logistics industry. The logistics industry plays a crucial role in the response to the COVID-19 pandemic—not only in the distribution of medical supplies, vaccines, and equipment but also in delivering goods to a public that has become increasingly dependent on e-commerce.

The District’s proposed ISR seems to be a misguided policy during the COVID-19 pandemic. The District is pursuing a regulation targeting a sector that serves as a lifeline to our region and the nation and is deemed essential by federal and state governments. Under the current draft rule, reporting obligations begin only 60 days from rule adoption. The substantive WAIRE Points obligations will commence as soon as July 2021.

The following further comments are provided in response to the District’s Proposed Rule 2305:

1. This rule would impose additional/permanent costs on warehouses of approximately $.90 per square foot. This extra cost would amount to targeting a specific essential industry with $1 billion in annual fees during the worst possible time and while responding to the pandemic’s challenges on behalf of our nation.

2. It is not feasible to comply with the ISR due to the following:

a) The proposed rule requires warehouses to control truck fleets and decrease truck

emissions. Yet, warehouse operators are not able to accomplish this task.

b) Warehouses have no control over how truck engines are manufactured.

c) Warehouses do not own truck fleets, nor do they control what type of trucks

shipping companies purchase.

d) Warehouse operators do not control which trucks come to warehouses, when they

arrive, where they come from, or any other variables related to truck trips.

3. The technology is not available to accomplish items on the WAIRE menu. For example, there are no heavy-duty electric trucks available that are viable from a technology and/or economically reasonable standard.

4. Warehouses have been deemed to be essential businesses by the State for important reasons including:

1. The approximately 18 million people who live in Southern California rely on

warehouses as an integral part of the goods movement system to get them the items they need to survive, like food, medical supplies, clothes etc.

5. This rule creates tremendous uncertainty in the economy as the full negative impact of this ISR is not known.

1. Uncertainty should not be created in this critical, essential business sector,

especially considering the current economic downturn/unemployment crisis associated with the COVID-19 pandemic.

6. Warehouses provide a broad range of jobs for people of every level of education and skillset. Warehouses and the logistics industry offer jobs that lead to upward ability. This job creation is a socioeconomic benefit that the proposed ISR’s onerous costs would threaten.

7. The proposed ISR seeks to “indirectly” regulate the trucking industry through the

Warehouse industry. The District should publicly explain how it has the jurisdiction/authority to regulate a mobile source that is such an integral part of interstate commerce as the trucking industry.

Thank you for your attention to these comments. Please include these comments as part of the official record for Proposed Rule 2305 (Warehouse Indirect Source Rule) so that all SCAQMD Board Members may have the opportunity to review the above.

Respectfully,

(Your name, organization or company)

Cc: Governing Board Members