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Last Mile Trucking Reform Package

According to the New York City Department of Transportation, close to 90% of goods are moved into and out of the city by truck. Thanks to a pandemic-related surge in demand for overnight deliveries, freight traffic is expected to grow 67% between 2012 and 2045 - generating millions more tons of CO2 emissions in addition to other social and environmental externalities such as particulate matter emissions, deafening noise pollution, increased congestion and traffic chaos, and deadlier streets for pedestrians, cyclists, and other road users.

The "last mile warehouses" responsible for this surge, representing the place where packages are stored before they embark on the last mile of their journey from warehouse to a customer's doorstep, are fundamentally different from traditional storage facilities. With square footage sometimes exceeding one million, these warehouses operate 24/7, span multiple stories, and attract a significantly higher volume of trucks, which are bigger in size and thus more polluting.

Clustered in areas of New York City such as Red Hook and Sunset Park which are zoned for manufacturing and commercial use, these mass distribution centers proliferate in neighborhoods already subject to more than their fair share of pollution. The historic Climate Leadership and Community Protection Act (CLCPA) of 2019 attempted to address the burden borne by disadvantaged communities by: mandating a 40% economy wide reduction of greenhouse gas emissions below 1990 levels by 2030, and 80% by 2050; mandating a zero-emission electricity sector by 2040, including 70% renewable energy generation by 2030; and requiring that at least 35%, with a goal of 40%, of the benefits of spending on clean energy and energy efficiency programs be directed towards disadvantaged communities. Relatedly, the legislature later codified in Ch. 423 of 2021 the goal that 100% of medium- and heavy-duty vehicles (MHD) sold or leased in the state be zero emission vehicles (ZEVs) by 2045.

Many experts acknowledge, however, that without some kind of state intervention to realign market signals and account for environmental externalities, such objectives will be difficult to meet. The below-described proposals aim to hasten the transition to ZEV fleets, properly fund alternative modes of freight transportation, and ensure that those most impacted by our state and city's last mile trucking problem have a say in how it should be fixed.

- S5895 Creates a twenty-five cent surcharge on online delivery sales made within the
 city of New York, to be deposited into a special New York city infrastructure capital fund.
 This fund could then be bonded against to raise billions for the rehabilitation of the
 Brooklyn-Queens Expressway (BQE), which is crumbling under the weight of illegally
 overweight trucks, and alternatives to last mile trucking such as maritime and railway
 freight transportation.
- 2. <u>S6297</u> Ensures that members of disadvantaged communities have a say in how 35% of total clean energy and energy efficiency spending, as dictated by the CLCPA, is directed in their neighborhoods; creates a public engagement process that state agencies must adhere to before they can make CLCPA spending decisions
- 3. S6299A Modifies the NYS Department of Environmental Conservation (DEC)'s community air monitoring study to include an examination of the role that DEC itself has played in contributing to air pollution in disadvantaged communities via the issuance of their air pollution control permits to facilities such as last mile warehouses; also requires DEC to produce a public listing and geographic map of last mile facilities that they permit
- 4. <u>\$5651</u> Directs a New York City study on the construction and use of neighborhood urban consolidation centers and shared use locker technologies, which have the potential to consolidate deliveries from different suppliers, eliminate failed delivery attempts, and greatly reduce the frequency of freight vehicle trips
- 5. S6298A Enacts a New York version of California's landmark Advanced Clean Fleets regulation to set timetables for a transition to 100% zero-emission commercial trucking fleets across the state, with a special emphasis on maritime "drayage" trucks in disadvantaged communities and large commercial operators with \$50 million or more in annual gross revenues or at least 50 MHD vehicles that weigh more than 8,500 pounds
- S6300 Creates a revenue neutral "feebate" program for MHD vehicles, in which higher registration fees for low-efficiency trucks with a fuel economy of less than ten MPG or MPGe (miles per gallon equivalent) go to fund rebates for cleaner, high-efficiency trucks
- 7. <u>\$6301</u> Amends the state energy building code to include electric vehicle charging infrastructure at all heavy distribution warehouses

Taken together, the above reforms, many of which are directly recommended by the CLCPA's Final Scoping Plan, represent a creative and unique approach to our state and city's seemingly intractable last mile trucking problem. If enacted they will make the movement of consumer goods on our streets more efficient, equitable, and just, while ensuring healthier and more engaged communities.