SUPPLY CHAIN FEDERATION
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April 29, 2026

Rajinder Sahota, Deputy Executive Officer
California Air Resources Board
1001 I St.
Sacramento, CA 95814

Submitted electronically

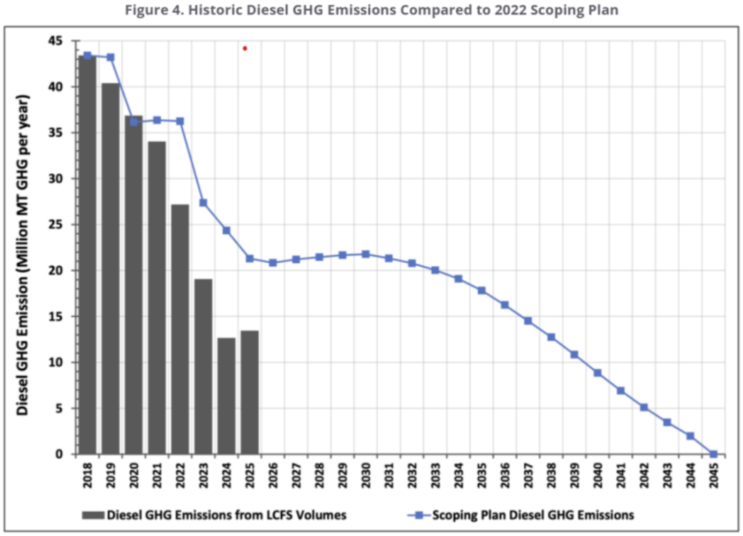
Re: Comments regarding Proposed 15-Day Amendments to the California Cap on Greenhouse Gas Emissions and Market- Based Compliance Mechanisms Regulation

Dear Ms. Sahota,

Thank you for the opportunity to comment on the proposed amendments to the Cap and Invest Program. The Supply Chain Federation (SCF) is a national organization representing industrial developers, ports, trucking, shipping, unions and other links in the logistics and supply chain industries.

California's supply chain industry has been an environmental success story, reducing criteria pollutant emissions by over 90% while also achieving significant reductions in greenhouse gas (GHG) emissions. According to a recently published analysis by Stillwater Associates, renewable fuels – largely produced by in-state refiners – have reduced the GHGs from diesel fueled equipment by approximately 60% in just the last seven years, beating CARB's scoping plan forecasts.

Figure 4. Historic Diesel GHG Emissions Compared to 2022 Scoping Plan



Source: *Stillwater Analysis of LCFS and Scoping Plan Data*

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However, disruptions in the global energy supply chain have created unprecedented economic shocks to California's transportation fuel sector. As you know, a third of California's economy and jobs rely on the goods movement sector which requires a reliable and affordable supply of fuel and electricity. Recent events have exposed California's vulnerability to geopolitical disruptions to the global energy supply chain.

From an April 24th Fortune article :

California must compete internationally for more expensive and increasingly scarce fuel imports from Asia. The state leans on South Korea, Singapore, Japan, India, and the Middle East for more of its oil and fuel.

"The risk is California has to compete on price to get those barrels, and what's an already expensive market becomes really expensive," said oil forecaster Dan Pickering, founder of Pickering Energy Partners consulting and research firm.

While the rest of the country is worried about fuel prices and not physical shortages, California is a "different animal," Pickering said. "The risk in California is both its price and its availability. And because availability is tough, the price goes up even more."

Already, California's gasoline prices are 45% above the national average. The national average on April 23 for a gallon of regular unleaded was $4.03; meanwhile, it's a U.S.-leading $5.85 in California. And there's a $2 gap between diesel prices in California compared with the national average: $7.49 per gallon versus $5.47.

Analysts indicate that both diesel and jet fuel are most vulnerable to supply disruptions, which is disastrous for California's supply chain given it's heavy reliance on diesel fueled equipment. This is also an issue of national significance as the Ports of Los Angeles and Long Beach, alone, account for 31% of all the United States' containerized trade.

Accordingly, the SCF joins with many of our colleagues in California's business community in urging California Air Resources Board (CARB) to do everything it can to avoid further disruptions to California's in-state refining capacity. CARB must send the sector long-term signals that it intends to take action to mitigate further leakage.

Existing programs have proven to be successful in reducing both criteria and GHG emissions. This success story risks being undone if transportation fuel supply disruptions upset California's critical goods movement and supply chain industries, which would impact sectors as varied as agriculture/food, medicine, manufacturing, housing, retail and more.

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Thank you for the opportunity to comment. If you have any questions, please contact Chris Shimoda at chris@shimodagov.com

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