



CAPITAL IDEAS

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California Diesel Ban: Another Uneconomical Mandate

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The California ban-it-all machine, ever in perpetual motion, is abolishing diesel big rigs. On the last Friday in April, the state Air Resources Board voted unanimously to outlaw sales of new diesel trucks by 2036. CARB's decision also requires large trucking companies to fully transition their fleets to all zero emissions rigs by 2042. The rule further requires that all new drayage vehicles, those trucks that move cargo from ports to distribution centers, purchased beginning next year and beyond must be electric.

Announcing another uneconomical mandate, Liane Randolph, chair of the unelected board, noted that “we all know there’s a lot of challenges. But those challenges aren’t going to be tackled unless we move forward. No one is going to build infrastructure in the abstract.” While the chairwoman may have visions of Rear Admiral Farragut dancing around in her head, the figurative torpedoes will undoubtedly sink her plan to electrify California’s truck and bus fleet. The only question is how much damage will be inflicted before she changes course.

POOR SUBSTITUTES FOR DIESEL

CARB is mandating that all diesel powered trucks and buses must be retired over a schedule that ranges between 2035 and 2042 – certain vehicles that are near the end of their useful life must be retired next year. In response to the new mandate, transportation industry officials stated, in no uncertain terms, that the technology is not ready. Electric heavy trucks are simply inadequate substitutes for diesel-powered vehicles.

Keith Knopf, president and CEO of The Raley’s Companies, which owns a number of grocery chains, told the attendees of [PRI’s February California Ideas in Action conference](#) that the e-tractors had severe performance shortcomings. Raley’s experimented, for four or five years, with electric yard tractors, he said, and learned that they simply don’t work.

“I’m not saying it won’t work in the future,” Knopf added, but “it doesn’t work now.”

Yet a policy based on an unknown is in place and must be followed.

Raley’s experience made it clear that electric trucks, said Knopf, are “not reliable,” don’t “like the cold, which batteries do not,” don’t “have the torque that is required” to move heavy cargo, nor do they “pull the Sierras” the way diesels do.

COSTS

The consequence of the board’s hubris will be paid by ordinary California households and businesses. As the mandate’s requirements go into effect, California’s shelves will become more barren, while the costs for those goods that make it to the store will be higher. Businesses, facing increased costs and more challenging logistical supply chains, will find it harder to compete against their competitors from other states.

Companies that remain in the state will earn less money and some may even fail. For others, the mandate will be the last straw and they will join the scores of others that have fled to states that are far less hostile to business.

All of these adverse economic consequences will harm income growth in the state. Faltering income growth will worsen the government’s fiscal position and make the challenges of underfunded pensions and the homelessness crisis more difficult to solve.

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DIFFICULT TRANSITION

Electric trucks have limited hauling capacities that make them much less useful than their diesel powered counterparts. Their driving ranges are also limited. Electric trucks cannot cover the same distance on a single “tank” as a diesel vehicle can, so the EVs will require more frequent “fill ups.” Of course, filling up (e.g., charging) the vehicles is also a problem because the necessary charging infrastructure does not exist. Nor is it possible to build out the necessary infrastructure in the designated time.

Another hurdle is availability, or the lack thereof. There are currently too few electric vehicles available for sale, and the production capacity to make sufficient numbers of the trucks does not exist. In other words, the required electric vehicles necessary to replace the current fleet neither exist nor can be built over the board’s target date.

Furthermore, ignoring this constraint and assuming that the current truck fleet can be replaced, the chairwoman sees all of these problems as mere challenges that may be overwhelming to the private sector, but with the encouragement of CARB and its wise government bureaucrats, can be overcome. Needless to say, it is easy for those standing on the sidelines to make such bold claims. Instead of listening to those who will have to implement her misguided edict, she is claiming to have a superior insight regarding what is, and what is not, possible.

In reality, Randolph has no such special capabilities. For proof, compare the original cost and timetable for California's high-speed train from Los Angeles to San Francisco to the current [sad state of the project](#). Government mandates will not change the inherent physical and economic realities. Those same realities make it plain to see that electric trucks and buses are not currently viable nor is there any evidence that they can be viable in the future.

IS DIESEL AS DIRTY AS ITS REPUTATION?

While diesel engines actually emit less carbon dioxide – the greenhouse gas that has become the environmentalists' top enemy – than gasoline engines over their lifetimes, they do produce more soot and [oxides of nitrogen](#), all of which are health hazards, than their gasoline counterparts. However, the U.S. Energy Information Administration reported last fall that “[Diesel fuel engines are getting cleaner](#).”

“To meet the EPA standards, the petroleum industry is producing Ultra Low Sulfur Diesel (ULSD) fuel, a cleaner-burning diesel fuel” that produces less nitrous oxide, and the majority “of the diesel fuel now sold in the United States for use in vehicles is ULSD fuel.”

Though “it will take a long time for newer and cleaner diesel engine vehicles to replace older diesel engine vehicles,” says the EIA, fully transitioning to an all-electric fleet will also “take a long time,” unless California is simply going to have to live with fewer trucks on road, which means fewer items on store shelves, higher prices, and diminished living standards.

CONCLUSION

Clearly California politicians and bureaucrats are willing to make this tradeoff and others referenced above. It's part of a pattern in which they ban items that have become fundamental to modern living. And like those other bans, the barring of diesel trucks will produce outcomes that make the 39 million residents of the state worse off.

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