



MEMORANDUM

To: ESJPA Board of Directors
From: Mary Pitto
Regulatory Affairs Advocate
Date: August 10, 2009
Re: Air Resource Board Diesel Activities Update

On-Road Heavy-Duty Diesel-Fueled Public and Utility Fleets

There has been no new recent information on the On-Road Heavy-Duty Diesel-Fueled Public and Utility Fleets Regulation.

Information on the Public Fleet Rule is available on the ARB website, located at: <http://www.arb.ca.gov/msprog/publicfleets/publicfleets.htm>

In-Use Off-Road Diesel Vehicle Regulation

There has been no new recent information on the In-Use Off-Road Diesel Vehicle Regulation.

For information on this rule go to: <http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm>

In-Use Truck and Bus Regulation and the Heavy-Duty Vehicle Greenhouse Gas Emission Reduction Regulation

The In-Use Truck and Bus Regulation and the Heavy-Duty Vehicle Greenhouse Gas Emission Reduction Regulation (Truck and Bus regulation) was adopted in December 2008, however it has not yet been submitted to the Office of Administrative Law (OAL). ARB anticipates submitting the Final Statement of Reasons to the OAL on October 23, 2009 with final OAL approval expected in November 2009.

While the regulation is not effective yet, the ARB has already begun its outreach efforts to implement the Truck and Bus regulation. ARB formed a truck regulation advisory committee (TRAC), which is an informal committee to improve the implementation of the regulation. The TRAC is not a forum for proposing modifications to the regulation, but for feedback on implementation. In order to keep our member counties informed on the development of the implementation, RCRC staff applied to be on the committee and the outreach subcommittee. RCRC has been selected as a member of the outreach

subcommittee, but not the TRAC committee. TRAC committee meetings are public meetings and RCRC staff plans to participate in these committee meetings as well.

ARB has begun a campaign to get the word out and mailed postcard mailers in early September to their truck owners mailing list. They are currently developing and conducting a general overview course that will be scheduled throughout the state and be webcast. ARB staff is also available to conduct these courses upon request with classes of a minimum of 30 attendees. Details training workshops are planned for the first quarter of 2010. RCRC staff is willing to assist any county/counties that would like to request such a training in your area.

Here are helpful tools for additional information:

- A web portal via the ARB website homepage called the “**Truck Stop**” at <http://www.arb.ca.gov/truckstop>.
- ARB’s **1-866-6DIESEL** (1-866-634-3735).
- A new ARB email address at 8666diesel@arb.ca.gov.

On July 23, 2009, the Air Resources Board amended the off-road regulation to (1) provide new credits for fleets that have experienced drops in vehicle activity and/or that have reduced their fleet size, (2) delay some of the 2011 and 2012 requirements until 2013, and (3) add new incentives to spur early retrofits and repowers.

The new incentives were proposed to spur early actions by fleets to mitigate potential losses in emission benefits due to the legislatively directed amendments and include the following:

- Allow fleets to claim an exemption for up to 15 percent of their total horsepower (hp) from future turnover if they install a retrofit prior to March 1, 2011;
- Allow fleets to claim double credit for NOx retrofits installed by March 1, 2011;
- Allow medium and small fleets to claim double credit for PM retrofits installed by March 1, 2012; and
- Allow fleets to accumulate NOx carryover turnover credit for early repowers installed, regardless of the total amount of fleet hp that is repowered.

For additional information go to: <http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm>

California Legislature

September 9, 2009

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Board Members:

Last December, the California Air Resources Board (CARB) adopted the on-road diesel truck and bus regulation that will greatly impact the California trucking industry. As members of the California State Legislature, we are requesting that you temporarily suspend the On-Road Diesel Vehicle Regulations that you approved on December 12, 2008, and the Off-Road Diesel Vehicle Regulations that went into effect on June 15, 2008. There are strong economic justifications for requesting this suspension.

We are supportive of reducing particulate matter (PM) and NOx emissions from diesel engines. There is no disagreement that we need to work collectively to improve the state's air quality and all of us want to provide as healthy an environment as possible for our families and all Californians. However, in its current form, the Board's regulation places a significant economic risk on business today, and jeopardizes the future viability of the trucking industry, which is already reeling from unprecedented financial turmoil and a drastic decline in business, which has brought about a naturally correlating decline in emissions.

The CARB on-road and off-road diesel regulations are projected to cost up to \$10 billion to implement. Unfortunately, these regulations have been approved at a time that the California economy is in a recession, unemployment is nearing 12%, and trucking related businesses are struggling to stay viable.

In adopting its December 12, 2008 regulations, CARB effectively ignored the economic arguments and pleas presented in about 500 written and/or verbal public comments. One California contractor gave particularly telling comments: "The affect on my company is 100 percent of my portable equipment will be illegal to use or sell in the state of California: 100 percent of my trucks, 90 percent of my Off-highway vehicles. Three regulations all at once. This is a destruction of my capital. I have spent 44 years in this business gaining this equity, and these

regulations have destroyed it all at once. Destroyed a business model of the entrepreneur who saves money and invests it and provides employment and a tax base for the economy."

Further, while Proposition 1B contained authority for \$750 million in bond funds to provide grants, matching funds, and low cost loans to assist truckers with the retrofit of their fleets, only \$250 million has actually been made available. As you are aware, this is because of the state's deteriorating fiscal position, which has and is, preventing the state from proceeding to sell the remainder of these bonds. While this level of resources represents less than 10% of the projected cost to comply with the diesel regulations promulgated by CARB, the availability of these funds could go a long way toward providing the financial assistance promised to the trucking industry, and which we presume CARB thought would be available for retrofits when it promulgated its regulations.

And for the very few California trucking companies that have found the capital necessary to begin the process of retrofitting or replacing their fleets, they now find themselves unable to access the Prop 1B Bond money they originally planned on receiving, forcing them to cancel orders for equipment or default on loans.

It is our understanding that CARB is to report on the economic impact of these regulations at the December hearing. Given the multi-billion dollar cost associated with the implementation of this regulation – and the current volatile economic environment - I would urge you to delay this regulation and also allow for a stay of enforcement at least until the economy recovers, to re-examine the implementation time line in order to allow businesses the time needed to recover.

Sincerely,

Faye Niles

Ben Emmerson

Paul [unclear]
coach

Wayne D. Gilmore

John [unclear]

[unclear]
Smyth

Nate [unclear]
Fletcher

Wilson Villines

[unclear] NEWS

[unclear]

Jack Miller (71)

Connie Conroy

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Jan Fuller

Jim Nieker

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Carroll Delgiani

W. S. L. S.

Van Tran

Quia M. Cleballen

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Mimi Walters

John Benoit

Charles

Bob Butler

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Felicia

Dan Logan

Dr. Naylor

Chuck Wain

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Martin Harvick

Ally L. Miller

Andre Strickland

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D. Williams

Tom Olin

Gene Gill

Fred

Tom Harmon

Man Myland

Ernest M. Hunted

Blaise Magenta M. Serb

Ernest C.


Qui Parua

Ernest M.

Ernest

Geoff Rimmer

Roy Anderson

Lee M. 

Signatures

Assemblyman Roger Niello
Assemblyman Nathan Fletcher
Assemblyman Bill Emmerson
Assemblyman Cameron Smythe
Assemblyman Jim Silva
Assemblyman Mike Villines
Assemblyman Paul Cook
Assemblyman Tom Berryhill
Assemblyman Danny Gilmore
Assemblyman Anthony Adams
Assemblyman Jim Miller
Assemblyman Joel Anderson
Assemblywoman Connie Conway
Assemblyman Mike Duvall
Assemblyman Steve Knight
Assemblyman Ted Gaines
Assemblyman Curt Hagman
Assemblyman Dan Logue
Assemblywoman Jean Fuller
Assemblyman Brian Nestande
Assemblyman Jim Nielsen
Assemblyman Chuck Devore
Assemblywoman Diane Harkey
Assemblyman Kevin Jeffries
Assemblywoman Cathleen Galgiani
Assemblyman Martin Garrick
Assemblyman Bob Berryhill
Assemblywoman Alyson Huber
Assemblyman Van Tran
Assemblywoman Audra Strickland
Assemblywoman Anna Caballero
Assemblyman Charles Calderon

Senator Jeff Denham
Senator Dennis Hollingsworth
Senator Mimi Walters
Senator Tony Strickland
Senator John Benoit
Senator Dave Cogdill
Senator Dave Cox
Senator Bob Huff
Senator Bob Dutton
Senator Tom Harman
Senator Mark Wyland
Senator George Runner
Senator Sam Aanestad
Senator Roy Ashburn
Senator Gloria Negrete Mcleod
Senator Abel Maldonado
Senator Curren Price
Senator Lou Correa
Senator Rod Wright
Senator Ron Calderon

