BOARD MEETING

STATE OF CALIFORNIA

AIR RESOURCES BOARD

SAN JOAQUIN VALLEY UNIFIED

AIR POLLUTION CONTROL DISTRICT

1990 EAST GETTYSBURG AVENUE

FRESNO, CALIFORNIA

THURSDAY, MAY 22, 2008

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ALSO PRESENT

Mr. Arley Baker, Community & Legislative Affairs, Port of Los Angeles

Ms. Nidia Bautista, Coalition for Clean Air

Ms. Liza Bolanos, Central Valley Air Quality Co.

Ms. Ingrid Carmean

Mr. Tim Carmichael, Coalition for Clean Air

Mr. Manuel Cunha, Nisei Farmers League

Ms. Nichole Davis, ISSRC

Mr. John Diggs, Kern County, via satellite

Ms. Laura Fultz, Coalition for Clean Air

Ms. Catherine Garoupa, Madera Coalition for Community Justice

Ms. Jamie Holt, San Joaquin Valley Air Pollution Control District

Ms. Bonnie Homles-Gen, Americal Lung Association

Mr. Roger Isom, California Cotton Growers Association

Ms. Sarah Jackson, Earth Justice

Mr. Robert Kanter, Environmental Affairs & Planning, Port of Long Beach

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APPEARANCES CONTINUED

ALSO PRESENT

Ms. Melissa Kelly-Ortega, Merced/Mariposa County Asthma Coalition

Mr. Chung Liu, South Coast Air Quality Management District

Mr. Mark Loutzenhisser, Sacramento Air Quality Management District

Ms. Linda Mackay, Tri County Watchdog, via satellite

Mr. Grant Melocik, McNeil Enterprises

Mr. Brent Newell, CRPE

Mr. Jim Quan

Ms. Mary-Michael Rawling, Merced/Mariposa County Asthma Coalition

Mr. Seyed Sadredin, Director, San Joaquin Valley Air Pollution Control District

Mr. Matthew Schrap, CA Trucking Association, via satellite

Ms. Daniela Simunovic, CRPE

Ms. Kim Thompson, Fresno-Madera Medical Society

Mr. Arthur Unger, Sierra Club, via satellite

Mr. Alvin Valeriano, ISSRC & CVAQ

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CHAIRPERSON NICHOLS: Good morning, ladies and gentlemen. We're going to get started. We're making sure we have everyone in place. We're in a for the Air Resources Board I guess somewhat unfamiliar location. We're thankful to the San Joaquin Valley Air Pollution Control District for having allowed us the use their facilities, and particularly for the fact that we are able to accommodate people in Modesto and Bakersfield. And that's a great help I think for the community and for us as well, because we can broaden the numbers of people that can be involved in the meeting. So we want to thank you for the use of the facilities and for providing us with so much help and assistance in getting the meeting organized.

I just want to say a couple of words before we get started here. We're going to be starting with a briefing on an initiative that has been begun here, the Healthy Air Living Initiative. Usually we do a health research update at this point just to keep everybody focused on what's new. But I think this is a very good way of helping to ground us in the air issues here. And I do want to congratulate whoever does the meeting scheduling months in advance for having carefully arranged to have a discussion about particulate matter here in the valley at a time of high winds and wind-blown dust. It
was probably the press people I guess, because it really has helped to focus a lot of attention on what we're doing here. But it's very appropriate as well.

So I'd like to call the meeting to order. And we normally begin with the Pledge of Allegiance to the Flag. And there is a flag here. So let's all please rise and we'll say the flag salute.

(Thereupon the Pledge of Allegiance was Recited in unison.)

CHAIRPERSON NICHOLS: Thank you.

The clerk will please call the roll.

SECRETARY ANDREONI: Dr. Balmes?

BOARD MEMBER Balmes: Here.

SECRETARY ANDREONI: Ms. Berg?

BOARD MEMBER BERG: Here.

SECRETARY ANDREONI: Ms. D'Adamo?

BOARD MEMBER D'ADAMO: Here.

SECRETARY ANDREONI: Supervisor Hill?

BOARD MEMBER HILL: Here.

SECRETARY ANDREONI: Ms. Kennard?

Mayor Loveridge?

Ms. Riordan?

Supervisor Roberts?

Professor Sperling?

BOARD MEMBER SPERLING: Here.
SECRETARY ANDREONI: Dr. Telles?

And Chairman Nichols?

CHAIRPERSON NICHOLS: Here.

SECRETARY ANDREONI: Madam Chair, we have a quorum.

CHAIRPERSON NICHOLS: Very good. Thank you.

I think I should make a couple of logistical announcements. Anyone who wishes to testify on any item is asked to please sign up with the attendant to let us know that you're planning to speak. You don't have to give your name, but we appreciate it if you do.

We also want to make sure that anybody who's planning to testify knows that the Board imposes a three-minute limit on all oral testimony. But if you have anything in writing, you can submit that in addition, and we're happy to read it and to include it into the record or the meeting. But if you do choose to speak and you have written testimony, we would appreciate it if you would just summarize the main points and not try to read it since we can listen faster than we can -- we can read faster than we can listen, I should say.

We also have translation services available in Spanish for anyone who needs it. Again, we'd appreciate it if you would see the clerk of the Board and let them know if you want translation services.
Is the translator here right now?

SECRETARY ANDREONI: They're not here right now.

But I think --

CHAIRPERSON NICHOLS: All right. Well, in that case if there's anybody who wishes -- could somebody just translate what I just said into Spanish and make the announcement?

We have someone who will do that?

Yes, we do. Thank you.

(Thereupon the announcement was translated into Spanish.)

CHAIRPERSON NICHOLS: Finally, for safety reasons, I want to just note that the exits for this room are over on the side here and in the rear of the room. In the event of a fire alarm, we're required to evacuate this room immediately. And we will only return when there's an "all clear" signal letting us know.

I think that covers the basic points. And so I'd like to go immediately now to our first agenda item, which is the Healthy Air Living Initiative.

Mr. Sadredin.

MR. SADREDIN: Madam Chairman, members of the Board. Good morning. Welcome to Fresno. I'd like to thank you for being here and thank you for this opportunity this morning to talk about a very exciting new
initiative that all of us in the valley are really excited about. And by "all," I mean everyone in the business community and the environmental community and the government, public and private sector. We think this measure will produce much more reductions well beyond the SIP obligations that your Board and our Board have already obligated to.

Madam Chairman, members of the Board, the ultimate goal of the Healthy Air Living Initiative is to create a culture where air quality is a top priority in the day-to-day decision-making process by businesses, individuals and municipalities. And with that, I'd like to introduce Jamie Holt, our chief communication officer, to give you some additional details about the programs and some of the strategies that we are pursuing to implement this program.

CHAIRPERSON NICHOLS: Thank you.

Ms. Holt, welcome.

MS. HOLT: Thank you. I too want to say welcome to the Central Valley. I appreciate the fact that you guys have traveled here and that you're allowing me to present this exciting program to you today.

As you all are very aware, air quality is a huge challenge here in the valley, and we firmly feel that the Healthy Air Living Program is a necessary complement to
the regulatory and legislative actions being taken both throughout the valley and throughout the state to help alleviate our air quality problems. We also feel that our timing is right. The fact that gasoline is hitting $4 a gallon actually makes it even more of a message and an initiative that folks are both willing and able to hear. With that, I have a short PowerPoint. This has been about an hour and a half to two hour presentation. I've cut it down to ten slides. So I'm going to go kind of quick today.

--o0o--

MS. HOLT: The goals of healthy air living are fairly simple:

Number one is to reduce vehicle -- well, number one is, as Seyed mentioned, to make air quality a priority in all decisions on a daily basis, whether you're a business, an individual, a city, a county, a faith organization, a nonprofit organization. We really want to make air quality one of those things that you think about when you go about your day.

The second priority, the second goal is to reduce vehicle miles traveled. We really feel that by getting people to drive less and drive differently, we can have a positive impact on air quality.

We also feel that businesses are ready and
willing to have a discussion about shifting their emissions, shifting them from those peak ozone days, those peak PM days, those peak smog episodes, and also shifting them during the time of day so that perhaps they're occurring late in the evenings and over the night during the summertime and then during the afternoon during the wintertime. It allows businesses some flexibility.

And one of the exciting things that we found when we've gone to talk to businesses -- and we've had hundreds of meetings during the first couple of months of development of this program -- that we found that businesses are seeing win-win strategies emerging. And I'm going to discuss that in a little more detail as we move forward.

But we had one company in particular, Ruiz Foods, that's based here in Fresno, who transports produce and processed goods around the valley. They found that by critically looking at how they ship their product, they were able to not only alleviate and reduce emissions, but also help their economics and their bottom line. That's really at the end of the day where we think that this program has the most traction.

We of course are also looking at things like clean energy. Green contracting - can we encourage cities and municipalities to put into place not only green
procurement programs but green contracting programs that help incentivize those vendors and those contractees who take into account air quality? Fuel efficiencies. Energy -- renewable energy such as solar, which the potential is just huge here in the valley. Those are all parts of goals of the Healthy Air Living Program.

MS. HOLT: We are doing many things internally. And I'll mention those very briefly down the road. But I mainly want to highlight the focused areas for external activities. This is a very multifaceted program, and we've already completed an enormous amount of work. I mentioned the numerous meetings in every sector of the community. We've held three summits. Over 500 people attended summits here in the valley. And that's where we really found that there was an enormous amount of innovation already being undertaken by our local business community. We've worked with the media already and we've got some really strong partnerships, not only with cities and counties, but also with folks such as Toyota to help incentivize the program and really bring in that corporate element.

I'm going to focus on some key areas. The program is multifaceted. But because this is time sensitive, and I know you all have a big day ahead of you,
I'm not going to go into detail on every one of them.

MS. HOLT: I mentioned the media. If you guys picked up the Fresno Bee today, you know that we already have a great relationship with our local media partners. We're sitting down with editorial boards, station managers, columnists. Opinion pieces are being written. We're writing a commentary. We really see that media valley-wide -- and this includes new media. We're actually doing some things with social networking sites on-line to reach those folks who are maybe more interested in reading a blog or checking their face book page than picking up a local paper. We're really working with the media to make sure that folks understand that air quality is everyone's responsibility here in the valley.

Key to this partnership is showcasing some of those best practices and the strong partnerships.

MS. HOLT: Advertising and outreach. In addition to the three-media coverage and the public relations support that we're generating internally, we're also looking at doing advertising. One of the challenges here in the valley is that we actually are in three media markets. We're in the Bakersfield market down in the southern region, we're in the Fresno market here in the...
central region, and we're a part of the Sacramento market in the northern region. It makes our advertising strategy be both very complex and one that is very targeted. We're going to use a variety of different media: Radio, TV, billboard, print web-based partnerships to get our message out.

The message has been driven by extensive focus group research that we've done in the valley. We don't do any messaging without actually talking to the public and saying, "What resonates with you? What will you remember? What is part of this matrix that will allow you to help make some of these changes at your work site, within your community, within your city?"

We also work in four languages, primarily English and Spanish, here in the valley, but we also do outreach in Hmong and Punjabi.

I'm not going to go through all our outreach initiatives. Needless to say, we're trying to get creative, we're trying to think outside the box, and we're trying to be innovative. In the same way when you look at great health initiatives that have gotten traction, whether it's people wearing their seat belts, whether it's the stop-smoking initiative, whether it's the wearing-sunscreen initiative, they have had both regulatory, legislative, and then these outreach programs.
that have been innovative. And we're really trying to tap
into that innovation to complement those other things
being done by your Board and by our Board.

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MS. HOLT: We're very excited that we are
focusing on tools and strategies. This is not an
education program. In the past, we had the Spare-The-Air
program, which was all about educating people that
"tomorrow is going to be a poor air quality day. We want
you to change your behavior tomorrow." We had a very
small window to educate the public. Spare-The-Air was
very valuable in that it put air quality in the forefront
of people's minds here in the valley. But we really think
that that episodic strategy and that education strategy
needs to change.

We want people to make these changes every day,
even when air quality is perhaps good. We want these
people to -- we want the community and the public to
understand that we are giving them tools -- tangible tools
and strategies that they can use within their workplace
and within their home to make these changes. And you can
see there the variety of items that are in the tool kit.

One of the things we're most excited about is
that we are giving a variety of resource books on both
trip reduction measures that folks can take within their
workplace that talks about carpooling, bicycling, van pooling, and a telecommuting resource book that talks about the potential, the legalities, the policy decisions, the workers' comp issues that go along with telecommuting in the State of California.

We're also developing a website, Healthier Living, that is tool based. If you're a small business owner and you want to know how you can institute a telecommuting policy or how you can do an energy audit within your workplace, you can go to this website and we'll give you those tools or we'll link you to those resources.

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MS. HOLT: Partnerships are key. We really feel that in order for the program to grow and to get traction, we really need to involve every sector of the community. And we have met with everyone, as I mentioned, from the business communities, cities, nonprofit organizations. Our inspectors are permit engineers. And anyone who's doing field work or meeting with the public here at the Valley Air District is bringing up the Healthy Air Living Program any time they have an interaction. Furthermore, any mail piece that's sent out of the district includes information on the Healthy Air Living Program.

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MS. HOLT: Within those partnerships, as I mentioned, the key is to promote those win-win strategies. Again, it's not just an education program. It's going to someone and saying, "If you ride your bike to work three days a week, you have the potential of saving $30 a week on gasoline. If you switch from an older vehicle and let us put you in touch with some of the programs that exist that maybe might even help you trade in that older vehicle, you have the potential of saving" a certain amount of money. If you have a business and we work with you to do an energy audit or we work with you to shift your emissions, there are win-win potentials that really will drive businesses, individuals, and communities to get involved in this program.

Key - saving money. That's the biggest motivator when you're getting someone to change their behavior. Improving employee morale, improving customer service, and of course just being a good valley neighbor are also key to this initiative.

I mentioned that we're doing some things internally here at the district. We believe that we need to walk the walk if we're talking the talk. We are fortunate in that we have about 42 percent of our employees who participate in alternative transportation right now. Healthy Air Living Week, which we've
designated as being July 7th through the 13th, our goal is to have 100 percent of district employees participating in some type of an alternative transportation.

We are also doing a variety of things internally, including piloting a telecommuting program. The goal there - reduce trucks. Less people on the road, less people contributing to air quality.

I mentioned Healthy Air Living Week July 7th through 13th. We're working collaboratively with cities and counties throughout the valley. And we're hoping that every city and county will proclaim July 7th through 13th as Healthy Air Living Week.

And I would like to ask that perhaps your Board proclaim July 7th through 13th as Healthy Air Living Week. It just helps us get the word out and really lets the community know that we're serious and that we've gone out of our way to build these partnerships with the governing bodies throughout the valley and the state.

One of the very exciting parts of this program is pledge commitments. And we have a variety of pledge cards, that if you don't have them yet, they will be passed out to you. Within the pledge cards, and there are three of them, are a variety of different things that folks need to pledge to.

The first pledge card I'm going to talk about is
the personal pledge card. It has a variety of things, some of which are fairly easy to do, some of which are going to take a little more work by the public. If an individual pledges to do seven things on this card, sends it back in to us, they'll be eligible to enter our hybrid vehicle competition. We've got a partnership with Toyota and we're going to be giving away a hybrid vehicle this summer.

In addition to that, we have business and faith community pledge cards. The business pledge cards actually have things such as shift or eliminate the operation of equipment to minimize air pollution on peak afternoon -- during peak afternoon hours; plan scheduled shutdowns to occur during Healthy Air Living Week, and exploring and adopt measures to avoid diesel idling. Really, we're hoping that during Healthy Air Living Week, and then with the traction that is developed during this week, that the concept of clean air days here in the valley, those days when businesses voluntarily decide to shift or stop operations, for a variety of reasons, will take traction.

The business pledge cards also, if a business pledges to do ten things, allows every employee within that business to then be eligible to enter our contest to win the Prius. We feel that would be great. Local PETERS SHORTHAND REPORTING (916) 362-2345
business owner, perhaps Ruiz Foods, who I mentioned before, they fill out their business pledge card, they enter all their 50 employees, and then perhaps one of those employees wins a Prius. That's a great value, not only for the business, not only for the Valley Air District, not only for the individual but for air quality valley-wide.

The last card we have, and one of the opportunities that we think has great traction here in the valley, is the faith-based pledge card. We're really looking to involve faith communities, because we see there's overlap between stewardship of the earth and creationism and some of the air quality issues that are currently on the table here in the valley.

One of the most exciting things with the faith-based pledge card is that we're asking them if perhaps their parking lots might be park-and-ride facilities. They're usually not used that much during the workday. So by opening them up to a park-and-ride facility, it actually gives them some security during the day and allows us to have more park-and-ride facilities throughout the valley.

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MS. HOLT: There is an example on the PowerPoint of the pledge cards.
MS. HOLT: The hybrid giveaway -- which this is my last slide -- is of course to just build the excitement and energy behind the program. We really are hoping that through giving away a hybrid we'll get folks both talking about a healthy air living, pledging to do certain things, looking for ways that they can begin to make air quality a priority in their daily life through individual decisions and through business decisions, and get people excited about some of the new technology and new potential that is out there.

And with that, I would be happy to answer any questions that you might have.

CHAIRPERSON NICHOLS: Dr. Sperling.

BOARD MEMBER SPERLING: Yes. This is very impressive. I'm very pleased to see what you you're doing with this outreach program.

When I look at these goals and the activities, you know, almost everything is really of a voluntary nature that you're talking about. And we have this new law, AB 32, the Global Warming Act, that is going to lead to policies and incentives and rules that are supporting exactly the goals you're talking about.

I was wondering if there's any connection between your outreach activities and some of the things the
district might be thinking about and talking about in
terms of developing some of these incentives to actually
realize in a more substantive, in a larger way some of
these -- and more measurable way these goals.

MR. SADREDIN: Good morning. Seyed Sadredin
again, the executive director for the air district.

That's a great question. In fact, as we were
rolling out this program, one of the concerns that the
business community had in coming forward, identifying
their best practices and volunteering to do these things,
they were worried that the next day we're going to make
these best practices a regulation that they have to comply
with. And that was giving them a bit of the cold feet.

But what we've been able to promote through this
program, first of all, there are a lot of win-win
opportunities, not only the bottom line versus air
quality, but also criteria pollutant versus the greenhouse
gas measures and reducing VMT helps in many ways, for
instance.

We are hoping that ultimately this culture
changing program will catch on in a major way where most
businesses will enter and do these things. And once this
program moves forward, we will have measurement practices
put in place to actually track how many people actually
abide by the pledges and commitments that they made.
And some of these measures that we're talking about, for instance, are already in our plan as regulations to come later on anyway. For instance, green contracting, which is one that we are pursuing here, was part of our ozone plan that your Board then our Board approved where green contracting will be a regulation that will come down the pipe later on requiring the businesses to do that, and we will track it through that measure.

Also, employer trip reduction. That's a regulation that is also in our plan to be adopted later on to require employers of a certain size to actually implement these alternative transportation modes.

So if I understood your question, are we going to move somewhat away from voluntary to mandatory measures? That's definitely a part of the equation for some of these measures that are already in our plan. But our hope is that this program will actually take us well beyond our SIP commitments, to the point that even if we had regulations, we will get more people, more businesses beyond what our regulations require to do these things, and make it easier for those regulations later on to also be implemented.

I don't know if that answers your question.

BOARD MEMBER SPERLING: Yes. I would just, you know, comment that this could be an opportunity to think
more creatively about some of the -- and it's not -- you know, you use the word "mandatory". I don't necessarily think that's the correct word to use, because there's lots of things that can be -- I think as more incentives that can be used, and some of them can be non-monetary incentives.

So there's lots of creative things that can be done. And with an outreach program like this, it hopefully gets the creative juices going about how you can actually get measurable reductions.

MR. SADREDIN: Absolutely. And we welcome any thoughts and ideas you or your staff might have as we promote this program and advance it. We're hoping that this is just the first year and it will get bigger and bigger as time goes on.

CHAIRPERSON NICHOLS: Thanks.

Supervisor Hill.

BOARD MEMBER HILL: Thank you, Madam Chair.

It's an excellent program. I'm excited about it and I'm going to bring some of these ideas back to the Bay Area that we could possibly use.

The question that you mentioned that it's -- that saving money is the motivator. I guess I'm a little surprised that that is as much of the motivator here in the valley as cleaning the air should be or would be based.
on the condition of the air and how you're using perhaps
the environmental motivation as much or more than the
monetary motivation.

MR. SADREDIN: I think given the valley politics
and the real-life situation that we're dealing with,
obviously everyone is aware of the air quality problems,
the public, the businesses. They understand that air
quality is a major issue that we have to deal with. But
we thought as a culture changing program that we can also
point out that there are a lot of best practices that will
not only save -- not only will help with air pollution but
also save you money. And we've seen many examples of
that. And fortunately with $4 a gallon, that's a great
health lessen in this regard. And we've identified many,
many opportunities where you can do things differently.

Unfortunately, as you know, in our personal life,
in our business professional lives, we get used to doing
things the way we've done them for years. And, you know,
we don't even bother thinking -- even when, you know,
diesel is $4 a gallon, people have done things for many
years the way they have done it and they don't feel
obligated to look at it in any way. So this program we're
hoping will serve as a catalyst to get businesses to look
at those situations more carefully, with our help, with
other experts that we're going to bring into this process.
But, make no mistake, air quality and health is the number one driver behind this program, that therefore the name "Healthy Air Living," that's really the concept that we're trying to push. But we think that will help, that will help -- you know, if you can identity win-win strategies, that just helps everybody.

BOARD MEMBER HILL: And I would hope that that would be kind of a driver and the motivator and maybe more of the incentive than the monetary. But I guess it's whatever works is the best thing.

Thank you.

CHAIRPERSON NICHOLS: Yes, Ms. D'Adamo.

BOARD MEMBER D'ADAMO: In follow-up to Professor Sperling's point regarding maybe looking for opportunities by way of incentive -- not necessarily regulation or voluntary but on the incentive side, as you probably note later today, we're going to be receiving an update from staff regarding AB 32 implementation focusing on some of the strategies that we may want to be taking a look at relative to land use, transportation and VMT. I think it's no secret, these are the areas where this region could benefit the most, because we lag so far behind on density, high density, and also transportation stems. So anything the district can do to help us be creative, especially when we look at some incentive opportunities as
we move forward on AB 32. And maybe if you could comment
on any interrelationship you see between those
opportunities and the indirect source rule that the
district adopted.

MR. SADREDIN: We believe in the reg source
review, for instance, provides a great model as we
approach the AB 32 greenhouse gas strategies in a way that
we could not only encourage better design and development,
but also create funding to promote and incentivize other
activities. As you know, the way our indirect source
review works, it requires developers to incorporate design
features in their building to minimize traffic, have
energy-efficient housing and a whole list of other
measures to reduce emissions. And we think that's a good
model; and if ARB in a regulatory fashion pursued that
option, we would be in support of that.

One other means that we think you could be
helpful to us, and I think that's part of the scoping plan
that your staff and your Board is looking at, is to set
regional targets for various areas in the valley and
various areas in the state to then later on be implemented
through some sort of a local target and local goals. And
those measures will also help reduce VMT.

But what we are hoping that you would do in that
regard is to look at the job housing balance, especially
in areas such as the Valley and Bay Area and Sacramento where, you know, some areas in the Bay Area, for instance, might have a no-growth de facto type policy but shift affordable housing to the valley and people will have to drive from the valley long distances to job centers. So we're hoping that you would look at ISR as a model but also in setting the regional target you would give some deference to that job housing balance.

CHAIRPERSON NICHOLS: Any other comments?

Thank you for the presentation, and thank you for the work you're doing in this regard. I think some of the questions that my colleagues and I have and the comments that we have, which are all intended to I think enthusiastically support your efforts here, are along the lines of this complicated balance and how we communicate with the public effectively, how do we actually motivate people to make changes which we all know are needed. And the district, like the Air Resources Board, is a regulatory agency. And so we have this awesome power to actually mandate things on people that cost money and force things to happen. At the same time, we also recognize that we are limited in those tools, not just by continuing to maintain public support, but also by the fact that sometimes it's not the most effective way to actually get things done, which is what motivates us all.
to look for other alternatives in the way of incentives and education and so forth, partnerships, et cetera.

And I think the more that you can do to document the effectiveness of the programs that you're working on, the more helpful it will be to all of us in making the case. Because I think there's oftentimes a lot of skepticism, we certainly encounter it from legislators, from advocates and so forth, that when you are out in any sense in a nonregulatory mode, that somehow that's conflicting with or undermining the force of your regulatory activities as well. And we really have to be doing both and finding ways to get these two things to work together as well as possible.

So we want to encourage you in your efforts and commend you for this, and also ask you to assist us in finding ways to better measure the effectiveness of this kind of work.

One of the tools that I'm excited about, which I know Dr. Sperling has done some work on, is the personal calculator that people can use. A number of people are trying these for carbon now, where you can go on to a website and plug in your address and what kind of car you drive and how long you commute, and all of that, and try to figure out what your own personal carbon footprint is.

And if we could somehow combine that with the air quality

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issues as well, I think that might be one way that you
could get from just signing a pledge to actually allowing
people to track how they're doing on their pledge. So
just a thought maybe that might help move it forward.

Anyway, thank you very much.

I neglected to introduce our Executive Officer,
who was supposed to introduce you. I jumped right into
the presentation. I apologize, Mr. Goldstene. But if you
would like to add anything, I would appreciate it.

EXECUTIVE OFFICER GOLDSTENE: No, thank you.

Good morning.

CHAIRPERSON NICHOLS: Good morning.

All right. Our next item is to take action on a
research proposal. This is a fairly quick item but an
important one.

And so I'm not sure who's going to introduce
this.

EXECUTIVE OFFICER GOLDSTENE: I'll introduce
this.

CHAIRPERSON NICHOLS: You'll start it? Okay,
great.

EXECUTIVE OFFICER GOLDSTENE: As you know, ARB
funds research projects that support the Board's programs
and regulations. In recent years, many Board actions have
involved particulate matter. In 2002, the Board adopted
new ambient air quality standards for particulate matter
based on epidemiologic studies that reported statistical
associations between particulate matter exposure and
adverse health effects, particularly effects related to
the heart and blood vessels such as heart attack and
stroke.

Dr. Linda Smith of the Research Division will
make the staff presentation regarding a research proposal
which will provide more information to help us understand
the association between PM exposure and health effects.

(Thereupon an overhead presentation was
presented as follows.)

HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF
SMITH: Good morning, Chairman Nichols and members of the
Board. This morning we're bringing one research proposal
before you for your consideration.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF
SMITH: This proposal, "Systemic platelet activation in
mice exposed to fine particulate matter," was submitted by
Dr. Fern Tablin of UC Davis. This is a two-year project
for $300,000.

It addresses a critical gap in the scientific
literature that supports the epidemiologic associations
between PM2.5 exposure and serious heart-related health
impacts. It will evaluate the role of blood platelets in promoting adverse heart and lung-related effects, such as heart attack and stroke, following exposure to particulate matter air pollution.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF SMITH: The study we're presenting today proposes to investigate for the first time the mechanistic pathway highlighted here with the green arrows.

Several hypothesized pathways, as illustrated on this slide, have been the basis for previous research into how inhaled PM might influence heart or lung function. The primary hypothesis investigated to date is that oxidative stress and inflammation directly lead to acute and chronic adverse heart and lung-related effects. However, none of the published studies fully supports this pathway as an explanation of how PM inhalation alters heart and lung function.

But they do form the basis for the pathway proposed in the proposed research which better links steps in the mechanistic chain.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF SMITH: The results of this research will contribute to identifying subpopulations of increase at increased risk.
of experiencing adverse effects with PM2.5 exposure.

Identification of these subpopulations is critical to future reviews of ambient air quality standards for PM2.5 so that the standards adequately protect public health.

We expect the results of this research to make a significant contribution to the next review of California's PM2.5 standards.

We would also like to point out that this study will utilize the resources at the San Joaquin Valley Health Effects Research Center here in Fresno, funded by the U.S. EPA for $8 million, and that this project would not have been possible without this collaboration due to the high cost of operating the equipment needed to generate the PM exposures.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF

SMITH: Staff recommends that the Board approve Resolution 8-29 for the research project, "Systemic platelet in mice exposed to fine particulate matter," in the amount of $300,000.

Thank you for your attention.

CHAIRPERSON NICHOLS: Thank you, Dr. Smith.

I want to hone in on this a little bit. Because, as you know, having been involved from quite a number of years ago in the setting of the PM2.5 standard at the
federal level, I'm quite familiar with the fact that much of our information is based on epidemiology. And, in fact, what we're going to be talking about in a little bit is results of a lot of studies, but many of them further making a connection that's based on essentially comparing measured air quality with certain effects, but without really being able to explain why and how the effects happen. It's this issue of how do we actually get inside the body, in effect, and discover what is going on here, so that we can get beyond just the, yes, there's an association between these two things. That's very important. It's very indicative of something important that we need to do something about. But it doesn't really tell us necessarily which chemicals or how those chemicals are reacting in the human body.

So if I'm correct -- I just want to know if this is correct in addition to what you've just said -- this is a building block for helping us to actually get beyond the point where, as in the old days with smoking, we just knew that, you know, people were dying but we couldn't necessarily explain for years why it was happening. And that was part of what made it so difficult to actually get to the real serious anti-smoking regulations and programs that we have today.
SMITH: Yes, that's correct.

CHAIRPERSON NICHOLS: So it can help us speed up
the development of a more effective program targeting.
I'm looking at Dr. Balmes to help me out here.

BOARD MEMBER Balmes: Well, I think you're right
on target, Chairman Nichols.

When EPA -- federal EPA proposed in 1997 PM2.5
standard, it was based on epidemiology. And it was
attacked because there was not enough toxicologic evidence
to show the mechanism by which these associations, as you
correctly pointed out, occurred. We've made progress
since then. But we still don't understand why levels of
fine particulate in our air in California now still seem
to be causing these effects.

It's plausible that low levels of fine
particulate can cause these effects because we also know
that secondhand smoke, not active smoking but secondhand
smoke, which is also at relatively low concentrations, can
cause these same cardiac effects that we see in the air
pollution epidemiology. So this is really based on work
that's been done with tobacco smoke on platelet
activation. And platelets are the constituents of the
blood -- the cells and the -- actually cellular
constituents that promote clotting. And that's why a lot
of us, including me, take aspirin to prevent clotting in
our coronary arteries.

So I'm very excited about this research. I think it's right on target. It's, as Linda pointed out, making use of the U.S. EPA funding. They're actually going to expose mice to real world particulate in a trailer -- I don't know if it was actually in a -- I think, yes, in a trailer, and they're going to use a concentrator of that fine particulate that can size fraction the particulate. And, you know, I think it's right on target, and I support the research.

CHAIRPERSON NICHOLS: Perhaps you would like to make the resolution.

BOARD MEMBER BALMES: Yes. So I move that we fund this proposal.

CHAIRPERSON NICHOLS: Is there a second?

BOARD MEMBER HILL: Second the motion.

CHAIRPERSON NICHOLS: All right. We're required to do a roll call vote here because of the remote location provisions here. Apparently under those rules, we are required to call the roll.

So if the clerk would please poll the Board members on this.

SECRETARY ANDREONI: Dr. Balmes?

BOARD MEMBER BALMES: Yes.

SECRETARY ANDREONI: Ms. Berg?
BOARD MEMBER BERG: Aye.
SECRETARY ANDREONI: Ms. D'Adamo?
BOARD MEMBER D'ADAMO: Aye.
SECRETARY ANDREONI: Supervisor Hill?
BOARD MEMBER HILL: Aye.
SECRETARY ANDREONI: Professor Sperling?
BOARD MEMBER SPERLING: I'm going to recuse myself because it's a research at UC Davis, even though I don't know the person.
SECRETARY ANDREONI: Chairman Nichols?
CHAIRPERSON NICHOLS: Aye.
SECRETARY ANDREONI: The vote tally is five.
CHAIRPERSON NICHOLS: And is the -- could we have a ruling from our attorney here as to whether this is valid.
STAFF COUNSEL JENNE: Yes, that's correct, as long as it's a majority of the quorum that you have here, then that is sufficient to pass the resolution.
CHAIRPERSON NICHOLS: Thank you.
It is approved. Thank you.
All right. We'll move on to the next item then.
EXECUTIVE OFFICER GOLDSTENE: Okay. Do you want me to introduce it?
CHAIRPERSON NICHOLS: If you would, please.
EXECUTIVE OFFICER GOLDSTENE: Today we're
releasing a draft report which provides updated estimates of premature deaths associated with PM2.5 exposures. In this draft report, staff has reviewed the latest literature, developed a new relationship between long-term exposures to PM2.5 and premature death, and estimated the impacts in California. Staff’s estimates of premature deaths associated with PM exposure play an important role in assessing the benefits of our plans and regulations. They also help us illustrate the cost effectiveness of the proposed regulations.

Dr. Alvaro Alvarado from our Health and Exposure Assessment Branch will make this morning’s presentation.

AIR POLLUTION SPECIALIST ALVARADO: Thank you, Mr. Goldstene. Good morning, Chairman Nichols and members of the Board. Today we are releasing a report updating ARB's methodology for estimating premature death associated with exposure to PM2.5.

AIR POLLUTION SPECIALIST ALVARADO: First, we'll discuss the background on why ARB conducts health impacts analyses.
Then we'll discuss the reasons for updating the methodology and how it affects our health impact estimates.

Next we'll show new estimates of deaths in the draft report and discuss our schedule for the next steps.

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AIR POLLUTION SPECIALIST ALVARADO: The ARB estimates health impacts associated with exposure to PM2.5 and ozone, including premature death.

As part of ARB's diesel PM Risk Reduction Plan, ARB has adopted several airborne toxic control measures. To help justify the adoption of these regulations, we've estimated benefits that would result from implementing these regulations.

Since California's PM standard was last reviewed in 2002, new publications have emerged suggesting it would be appropriate for us to update the methodology. The draft report we're releasing today results from the Board's request for this update, and may be useful for the next round of PM standard review at both the state and federal levels.

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AIR POLLUTION SPECIALIST ALVARADO: This chart shows the key steps in updating ARB's methodology.

We began with a public workshop, followed by a
review of the literature. When we started our review, we learned that U.S. EPA was convening a panel of world-class scientists to offer their assessment and interpretation of the scientific literature on the relationship between PM2.5 exposures and premature death. Therefore, as part of our report, we considered the results from the U.S. EPA's panel of experts and incorporated some of the relevant findings into our estimates. The report was done in consultation with OEHHA, our advisors, and other experts.

Based on all published results and public input, we drafted a preliminary report for peer review. After incorporating the peer review comments, we developed a draft that we are releasing for public comment today. During the next 30 days, we'll hold a public meeting to further present the methods and results in the report. Staff will then address and incorporate all comments and suggestions into a final report.

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AIR POLLUTION SPECIALIST ALVARADO: In drafting the report, staff worked with well-known epidemiologists listed on this slide who served as advisors throughout the project.

The methodologies and results presented in this report have been endorsed by these advisors.

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AIR POLLUTION SPECIALIST ALVARADO: As mentioned earlier, this report underwent an external peer review by experts selected through a process organized by the University of California at Berkeley, Institute of the Environment.

Listed on this slide are the six members of the panel. They have expertise in the fields of health effects of air pollution, epidemiology, biostatistics, risk assessment, and air quality measurements. The results of this review have been incorporated into this report.

AIR POLLUTION SPECIALIST ALVARADO: One key feature of our revision is the new estimate of the PM2.5 premature death relationship. The other is the estimate of health impacts from exposure to PM2.5 at levels below the annual state standard of 12 micrograms per meter cubed.

The basis for these revisions and the associated calculations of premature death are presented in detail in the next several slides.

AIR POLLUTION SPECIALIST ALVARADO: In drafting a new methodology, staff reviewed all the relevant
literature. The most important health studies published in the literature are listed on this slide.

Also, as mentioned earlier, the U.S. EPA convened a panel of 12 experts to assess the reduction in premature death in the adult U.S. population resulting from long-term reduction in annual average PM2.5. For this process, the experts were asked to review all the available studies to derive the plausible range of values that describe this relationship.

AIR POLLUTION SPECIALIST ALVARADO: While many studies provide significant evidence regarding the influence of PM2.5 exposure on premature death, only a subset of these studies are well suited to develop a relationship to quantify impacts on the general population.

This graph displays the results from a few key studies considered by the panel of experts. The dots indicate the best estimate, and the lines reflect the uncertainty range. The results show an increased risk of premature death associated with PM2.5 ranging from 6 percent to a high of 17 percent per ten micrograms per meter cubed of exposure. ARB has been using the American Cancer Society study results, indicated by the blue line, in its health impact analysis. As you can see, many of
the studies indicate a risk greater than 6 percent.
Along with the American Cancer Society study, the Harvard Six City studies are often cited in the literature because they both apply to the most general population. The strengths and weaknesses of all these studies, including those listed here, were considered in our review.

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AIR POLLUTION SPECIALIST ALVARADO: Based on our extensive review of the literature, staff recommends using the average value reported by the U.S. EPA panel of experts to represent the best single-point estimate. It is a 10 percent increased risk of premature death per ten micrograms per meter cubed increase in long-term PM2.5 exposures, with an uncertainty interval of 3 to 20 percent.

The uncertainty interval reasonably captures the current state of knowledge of the relationship. Our advisors and peer reviewers agree that our assessment is a reasonable interpretation of the available data.

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AIR POLLUTION SPECIALIST ALVARADO: To demonstrate the robustness of this new relationship, we performed several sensitivity analyses, including:

Combining all 12 U.S. EPA expert opinions using various

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weighing schemes; and combining results from key studies that are often cited in the literature and used by multiple agencies for estimating premature death. Interestingly, after submitting our preliminary report for peer review, an independent panel of experts convened in Europe came up with results that matched ours.

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AIR POLLUTION SPECIALIST ALVARADO: A key component in calculating premature death involves estimating public exposures to PM. The graph shows the population-weighted average annual PM2.5 concentration for the entire state. There is about a 5 percent improvement in air quality per year, due primarily to the Board's motor vehicle and diesel engine control programs, as well as the continued implementation of stringent local district rules on combustion sources.

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AIR POLLUTION SPECIALIST ALVARADO: This slide shows maps of PM2.5 concentration in 1987, 1999, and 2006. As shown in the key on the right, the darker the color, the higher the PM2.5 concentration. Throughout California, we see significant reductions in PM2.5 exposures, especially in major air basins. In fact, the rates of PM2.5 reductions in
California are among the most striking in the nation.

AIR POLLUTION SPECIALIST ALVARADO: As we saw on the previous slide, PM2.5 concentrations have steadily declined. Since 1999, the annual average PM2.5 concentration has decreased by 30 percent. This reduction translates into 14,000 premature deaths avoided by the cleaner air.

AIR POLLUTION SPECIALIST ALVARADO: In addition to the new PM2.5 premature death relationship, staff updated the statewide concentration of PM2.5. The previous estimate of impacts was based on 1999 to 2000 monitoring data. The new estimate is now based on an average of 2004 to 2006 monitoring data.

Up to now, ARB only estimated health impacts associated with PM2.5 exposures greater than the annual state standard of 12 micrograms per meter cubed. Our draft report assesses impacts at several levels lower than that.

AIR POLLUTION SPECIALIST ALVARADO: The data now available strongly suggest that premature death may occur from exposure to PM2.5 at levels lower than the state standard of 12 micrograms per meter cubed. Our scientific
advisors and panel of peer reviewers agree that there's a
greater uncertainty about health effects at lower levels;
however, we cannot rule out the possibility of the
increased risk.

We therefore examined the concentration range
between 7 and 2.5 micrograms per meter cubed as the lowest
level at which we can estimate health effects.

Seven micrograms per meter cubed was selected
because it is the lowest level measured that could be
linked to premature death in the American Cancer Society
study, which is the largest cohort study conducted thus
far. The other, 2.5 micrograms per meter cubed,
represents the background PM2.5 level in the absence of
man-made emissions in California.

It should be noted that several ongoing studies
should help resolve the question on the lowest level
appropriate for estimating health impacts.

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AIR POLLUTION SPECIALIST ALVARADO: Using the new
methodology, staff estimate that 14,000 to 24,000
premature deaths are associated with long-term PM2.5
exposure.

Most of the deaths occur in three air basins -
South Coast, San Joaquin Valley, and San Francisco Bay -
because this is where the majority of the state's
AIR POLLUTION SPECIALIST ALVARADO: In our draft report, staff also updated the process for estimating diesel PM concentrations. The methodology makes use of the relationship between NOx and diesel PM.

Using the new methodology, we estimate that annually 3,900 premature deaths can be associated with diesel PM emissions in the year 2000. In contrast, the previous estimate was 2,200 deaths.

AIR POLLUTION SPECIALIST ALVARADO: In summary, the proposed revisions discussed today would bring our estimate of increased risk to 10 percent per unit of exposure, with the lowest level of health effects down to a range of 7 to 2.5 micrograms per meter cubed. We also updated the air quality data used in the calculations to more recent years, 2004 through 2006.

Based on the proposed changes, the annual estimate of premature death due to PM2.5 ranged from 14,000 to 24,000. This range is equivalent to about 6 to 10 percent of the total number of deaths reported in California per year.

In addition, staff has proposed a revised methodology for estimating diesel PM concentrations and...
estimated that about 3,900 premature deaths are attributable to primary diesel PM sources. These new estimates are yet another illustration for the need for continuing our aggressive effort to control PM in California.

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AIR POLLUTION SPECIALIST ALVARADO: Estimating health impacts play an important role in ARB's plans and regulations. The new methodology in the report released today will be used in future health impact analyses in support of PM regulations. It will also be useful for the next round of PM air quality standard review at both the state and federal levels.

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AIR POLLUTION SPECIALIST ALVARADO: After the release of the draft report today, we begin the process of accepting public comments. In June, a public workshop will be held to solicit public comment on this draft report. We will accept public input through mid-July, and in August we will incorporate all comments into a final report on the new methodology.

The draft report is available for downloading at the site listed on this slide.

This concludes our presentation, and we'd be

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happy to answer any questions.

CHAIRPERSON NICHOLS: Well, I would like to start out with a comment that would help put this in context before I go to the questions, if I may. And that is to say that this report I think is a good example of the importance of communicating scientific information to the public and communicating it in a way that indicates how you can use science in a public and transparent way to make decisions.

The fact is that this same kind of review is going on at U.S. EPA at this point. And that they have not been able to produce something similar for the country as a whole doesn't mean that California's air quality is getting worse than the rest of the country or that the relative impacts of PM2.5 exposure in California are worse than the exposures of people in Kansas or Boston or Atlanta. The fact that we're focusing on California here, because that's our responsibility and our jurisdiction, I think is an example of what we can do here given the resources that we have to bring this kind of information forward and to make it available to decision makers and put it into the processes, as you've indicated. And it's a contrast to some of the allegations that we've seen and heard in recent years about science being either suppressed or ignored by agencies at the federal level.

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So I'm proud of the fact that we are engaging in this process and doing this in the right way. But I do think it's important that, particularly for the public and the press who are trying to make sense out of this kind of information, to indicate that the headlines in terms of increased risk or numbers of premature deaths and so forth is not something that indicates that there's some new threat happening in California versus anywhere else or versus the threat that was here yesterday. It's just that we have a better -- we think we have a better way now of quantifying it and more accurately explaining what's really going on. So I'm not trying to minimize it. I'm just trying to sort of help frame the discussion. I just want to make sure that that's correct.

You're nodding your head, so --

AIR POLLUTION SPECIALIST ALVARADO: That's correct.

CHAIRPERSON NICHOLS: Thank you.

All right. Having said that now, I think there may be some questions about either how this was put together or what it really means from Board members. And I'll start in either direction.

I'll start with you?

BOARD MEMBER BALMES: Okay. So first of all, I want to thank the staff for I think a very good effort, as
Chairman Nichols pointed out, to go over complicated literature, try to select the appropriate studies for making a new health impact assessment of mortality related to ambient fine particulate in California. And I do agree that the document lays out the methodology used clearly.

That said, it will be attacked. Not because it's a bad document, but because there is uncertainty in these estimates, which are I think very carefully pointed out in the document. And on slide 17 there was a little asterisk about the uncertainty interval around the estimated premature annual deaths per year. And it's a pretty wide confidence interval, which is appropriate. But scientific uncertainty has been used by many who don't want to see stricter air quality standards. So it's important to acknowledge that there is some scientific uncertainty here. And in fact, the empirical data -- in other words, effects of PM2.5 on the annual death rate where empirical data exists only go down to about seven micrograms per meter cubed. And below that's an extrapolation. It's totally appropriate for the staff to extrapolate down there. But we have to recognize that empirical data don't exist for those low levels at this point.

So, again, I commend the staff. It's a good document. It's going to be up for public scrutiny. I guaranty there will be views that are counter to what the
staff has put in here. But I think it's a good document
and it provides a basis for us to consider regulations in
the future.

CHAIRPERSON NICHOLS: Thank you.

Any other questions from the Board members?

Yes, Ms. D'Adamo.

BOARD MEMBER D'ADAMO: I just have a question
regarding background levels on slide 16. And if I
understood Dr. Balmes correctly here, the level between --
the levels between 7 and 2.5 are not based upon actual
data; it's based upon extrapolation?

AIR POLLUTION SPECIALIST ALVARADO: That's
correct, yes.

BOARD MEMBER D'ADAMO: Do you expect to receive
the data between now and the time that the report goes
final?

AIR POLLUTION SPECIALIST ALVARADO: I don't think
there'll be any studies available -- long-term
epidemiological studies that will be made available
between now and then when it's final.

BOARD MEMBER D'ADAMO: Okay. And I would just
say I really -- oh.

HEALTH AND ECOSYSTEMS ASSESSMENT SECTION MANAGER
TRAN: Good morning. This is Hien Tran from the Research
Division.

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Actually California has several studies ongoing that we have addressed this threshold question, specifically the study carried out by Dr. Jarrett at U.S.C., will be looking at the American Cancer Society cohort, Living in California, to address whether the PM2.5 effect may occur at lower levels in California.

In addition, HEI also funded a study in New York City, also headed by Jarrett and Daniel Kusky. And we also have -- the U.S. EPA has a study looking at PM constituents and health effects.

These studies, with results expected within two or three years, will help us resolve this question below seven micrograms.

BOARD MEMBER D'ADAMO: And when do we expect to go final on the report?

HEALTH AND ECOSYSTEMS ASSESSMENT SECTION MANAGER TRAN: We expect within two or -- file report, we will have this methodology out on a tentative schedule of August. And then as new results come in, staff will update you with the new information.

BOARD MEMBER D'ADAMO: And I'm not sure if I'm understanding exactly what the report's going to be used for. But in a briefing that I had with staff, when I asked these questions, I was told that at that level that it won't necessarily be tied to regulation at background
levels, but that the data will be used just in terms of an estimation of premature deaths. And the concern that I have is I just want to make certain that as we get close to background levels, that as much solid information as possible. Because when we get close to background levels, I think that we're subject to attack as we adopt regulations.

HEALTH AND ECOSYSTEMS ASSESSMENT SECTION MANAGER

TRAN: You are correct in that this question will become more important as the PM levels are reduced further. We see from 1999-2000 the average statewide level was 18 1/2 micrograms. They're now at around 14 micrograms and nearing the state standard of 12. So at the rate of reduction of an average of 5 percent per year, we anticipate that by the time the study results come out, it will help elucidate this question of whether we need to lower the standard.

CHAIRPERSON NICHOLS: Well, and hopefully also, as the result of other studies, we may have better information about exactly which kinds of particles we're most worried about too. That's always the hope anyway, that we'll get beyond just the size of the particle and is it something a little more specific.

Thank you. Thank you for that.

We are getting quite a bit of feedback from the
sound system. I know we were asked -- and I should have made the announcement sooner -- to turn off, not just to silence but actually power down all electronic telecommunications equipment. So if you could please do that. It affects it I think not just here at the stand but in the audience as well, from all sides. So we appreciate your help in that.

All right. We have no witnesses who filed comments or indicated that they wanted to testify. But I think we do need a motion to release the document. Is that correct, or is it just going?

We don't. We don't need to take any formal action.

Okay, fine. It's just informational then. And it's a draft. It says "draft" right on it.

Thank you. Thank you very much.

It does definitely help provide some of the background for our next item however, which is the consideration of the San Joaquin Valley 2008 PM2.5 State Implementation Plan, as well as an update on the valley's ozone progress.

Mr. Goldstene.

EXECUTIVE OFFICER GOLDSTENE: Thank you, Chairman Nichols.

The San Joaquin Valley faces a difficult PM2.5
air pollution challenge. However, like all of California, PM2.5 levels are steadily declining as a result of our existing control programs, as Dr. Alvarado pointed out. This plan builds upon these efforts to further reduce fine particulate matter. As a result of significant emission reductions from both adopted measures and new commitments, the plan demonstrates that the valley will meet the standard by 2014.

In addition, at our November Board meeting, the Board requested a status report on the valley ozone SIP. Staff will provide this update as part of the presentation.

I'll now ask Dr. Patricia Velasco to present this item.

(Thereupon an overhead presentation was presented as follows.)

DR. VELASCO: Thank you, Mr. Goldstene. And good morning Chairman Nichols and members of the Board. This morning I will present ARB staff's analysis of the San Joaquin Valley's 2008 PM2.5 plan.

DR. VELASCO: The plan you will consider today shows how the San Joaquin Valley will comply with the national ambient air quality standards adopted by the U.S. EPA in 1997. The 1997 standards consist of a daily and
annual standard. Attainment plans for these standards were due to U.S. EPA in April. The San Joaquin Valley Air Pollution Control District adopted its PM2.5 plan on April 30th and has submitted it to ARB for consideration. ARB staff has reviewed the District's plan and recommends that the Board approve it as a State Implementation Plan to be submitted to U.S. EPA.

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DR. VELASCO: Like the rest of California, the Valley is making good progress in reducing PM2.5 levels. However, given the health effects of particulate pollution the Board just discussed, there is a long way to go to meet our public health goals. This plan is one important step in that process.

Let's begin by looking at where the Valley stands with respect to the PM2.5 standards addressed in this plan. The entire Valley is at or near compliance with the 24-hour PM2.5 standard. Therefore, the SIP focuses on the problem of meeting the annual standard valley-wide. The annual standard is already met in the northern portion of the Valley. So this plan is needed to bring the remainder of the Valley into compliance.

This plan demonstrates the annual standard will be attained valley-wide by the 2014 deadline.

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DR. VELASCO: The PM2.5 attainment demonstration includes a number of elements:

First, a comprehensive assessment of the air quality levels in the valley and analysis of the nature of the PM2.5 problem. PM2.5 is a complex mixture of many different species generated from a wide array of sources. PM2.5 can be either emitted directly into the air in forms such as soot, smoke, and the tiniest specs of dust, or it can be formed in the atmosphere from reactions of precursor gases. Understanding the nature of the PM2.5 problem is key to designing an effective control strategy and bringing clean air to the Valley.

Second, the attainment demonstration guides the selection of the most effective pollutants to control and the magnitude of emission reductions needed from each of the pollutants.

Third, the attainment demonstration also identifies the earliest practicable date by when the entire region will reach attainment.

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DR. VELASCO: Based on the severity of the PM2.5 problem in the Valley and the availability and feasibility of control measures, the attainment demonstration identifies 2014 as the earliest practicable attainment date.
U.S. EPA's modeling guidance requires the use of air quality modeling to relate current PM2.5 levels to emissions of PM2.5 and PM2.5 precursors and meteorology in a region, and to stimulate future air quality based on changes in emissions. Model predictions combined with observed concentration of PM2.5 and its individual components provide the foundation for the U.S. EPA-recommended attainment demonstration. Modeling procedures for this plan followed U.S. EPA guidelines.

The Valley's particular pollution problem is well studied as a result of the California Regional Particulate Matter Study, or CRPAQS. This study provides the scientific foundation for the PM2.5 SIP by identifying the pollutants most important to formation of PM2.5 pollution. The results indicate that the key pollutants to reduce are nitrogen oxides, or NOx, sulfur oxides, or SOx, and directly emitted PM2.5 particles. The plan addresses these three pollutants as required by the PM2.5 implementation rule.

DR. VELASCO: The California regional particulate matter study was designed to:

First, develop an improved understanding of particulate matter in central California; and

Second, provide decision makers with the tools
necessary to identity the most effective control methods.

The study reflects an investment of nearly $27 million, extending over a 15-year period.

Data was collected for 14 months, from December 1999 through February 2001, throughout the Valley and surrounding regions. Periods with very high PM2.5 concentrations extending for up to several weeks and their underlying meteorology were recorded during this time.

The extensive field monitoring program collected data at the surface from hundreds of monitoring sites located throughout the study domain, and aloft with appropriately equipped airplanes, blimp, specialized balloons, and towers. The effort resulted in millions of data records which have been housed in a world class database. Focused efforts have also improved the emission inventory for the region.

Finally, state-of-the-science air quality models have been tested with the extensive CRPAQS database and are used in the CRPAQS and SIP modeling tasks.

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DR. VELASCO: The PM2.5 monitoring network in the San Joaquin Valley was established following U.S. EPA technical criteria. These criteria define how to ensure each monitor location is representative of pollution exposure.

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In addition, U.S. EPA's guidance calls for using models to simulate PM2.5 concentrations in areas without monitors. The modeling attainment demonstration predicts concentrations in approximately two by two mile increments throughout the Valley. ARB's modeling analysis showed that monitoring captured the highest PM2.5 levels in the Valley.

The combination of monitoring and modeling ensures that public exposure to PM2.5 throughout the Valley is well characterized.

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CHAIRPERSON NICHOLS: Can I interrupt you for a second --

DR. VELASCO: Sure.

CHAIRPERSON NICHOLS: -- because I think this may be a little bit misleading. I know that there are many, many monitoring inputs used for the model and deployment of all kinds of equipment to do that. But on actual day-to-day basis for monitoring there's nothing like that in any stations out there that are capturing daily readings in terms of demonstrating compliance; isn't that correct? It's a much smaller number.

DR. VELASCO: It is a much smaller number. But due to the expense and also the extensive resources needed
to run such an extensive field study, of course we only
have like a normal monitoring network that does collect
PM2.5 quantities at certain number of stations.

CHAIRPERSON NICHOLS: How many actual stations
that are used for compliance purposes are there?

DR. VELASCO: Twelve.

CHAIRPERSON NICHOLS: Twelve?

DR. VELASCO: Yes.

BOARD MEMBER BERG: But then where does the
hundreds come in?

DR. VELASCO: During the field study when the
California -- when CRPAQS was being conducted there was a
very extensive field study that was conducted from 1999 --
from the end of 1999 through the beginning of 2001. And
that required the deployment of lots of different
monitoring stations.

Should I continue now?

CHAIRPERSON NICHOLS: Yes, please.

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DR. VELASCO: Okay. Trends in annual PM2.5
designed values show that considerable progress has
occurred in the San Joaquin Valley over the last five

This is the compliance monitoring.

In 2001, all monitoring sites in the Valley had
annual design values, which reflect the three-year averages over the standard of 15 micrograms per cubic meter. The Visalia site at 24.7 had the highest design value. By 2006, design values decreased throughout the Valley, and only those sites in the southern and central portions of the Valley still have design values greater than 15. Bakersfield is the current high site, with a design value of 18.9.

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DR. VELASCO: On an annual basis, PM2.5 in the Valley mostly consists of ammonium nitrate, organic carbon, and ammonium sulfate. Ammonium nitrate is formed from chemical reactions of NOx emitted from motor vehicles and stationary combustion sources with ammonia. Burning activities, such as residential wood combustion, cooking, and direct tailpipe emissions from mobile sources are major sources of organic carbon. Ammonium sulfate is also formed in the atmosphere from the chemical reactions of SOx emitted from combustion sources and ammonia. To a lesser extent, elemental carbon resulting from mobile and stationary combustion sources, and geological material from roads and other dust-producing activities also contribute to PM2.5.

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DR. VELASCO: In the Valley, the levels and
nature of PM2.5 concentrations typically differ by season. The figure on this slide shows the variation in the monthly average PM2.5 concentrations throughout the year in Bakersfield and Fresno. Higher PM2.5 concentrations occur during the winter, between late November and February, during extended periods of stagnant weather with cold, damp, foggy conditions, which are conducive to the formation of secondary ammonium nitrate particles. The higher winter PM2.5 is dominated by ammonium nitrate and directly emitted particles, such as wood smoke and other combustion sources. These elevated winter concentrations drive the annual average PM2.5 levels.

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DR. VELASCO: Modeling analyses have shown that direct PM2.5, NOx, and SOx emission reductions are key to demonstrating attainment in the Valley. Furthermore, annual PM2.5 concentrations are more sensitive to reductions in directly emitted PM2.5 as compared to NOx, with directly emitted PM2.5 reductions approximately nine times more effective than NOx reductions in the attainment year. Emissions of VOCs are also being reduced in the region as part of the ozone attainment strategy and are included in the modeling, but are not key for PM2.5 attainment.

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DR. VELASCO: U.S. EPA requires a weight-of-evidences analysis to supplement the SIP-required photochemical modeling. The weight-of-evidences approach looks at the entirety of the information at hand to provide a more comprehensive scientific basis for the attainment strategy. Because all methods have strengths and weaknesses, examining an air quality problem in a variety of ways offsets the limitations and uncertainty that are inherent in photochemical modeling.

ARB staff evaluated air quality and emission trends; observational model results, including those of source receptor models; and evaluated diagnosis indicator species results. Along with the results from the photochemical modeling, District staff conducted a rollback modeling analysis to estimate the impacts of future emission reductions on resulting air quality.

The weight-of-evidences analyses provide a consistent assessment that the entire San Joaquin Valley will attain the annual PM2.5 standard by 2014. However, attainment is expected to phase in started in the northern portion of the Valley and spreading south, with more and more areas reaching attainment as we move towards 2014.

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DR. VELASCO: The PM2.5 plan consists of adopted
measures that provide increasing benefits each year, along
with new emission reduction commitments from both ARB and
the District. Overall, between 2005 and 2014, NOx
emissions will decrease by almost 300 tons per day, direct
PM2.5 emissions by over 20, and SOx by almost 3.

Two-thirds of the NOx and SOx reduction and one-half of
PM2.5 reductions come from already adopted measures. A
significant portion of the new emission reduction
commitments come from the ARB's State Strategy that was
adopted in September 2007. The District's new controls
will provide one-third of the PM2.5 reductions and the
remainder of the NOx reductions needed to reach attainment
in the Valley.

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DR. VELASCO: The state strategy will provide 76
tons per day of NOx reduction and five tons per day of
PM2.5 by 2014. The core of the new NOx and PM reduction
measures is the clean-up of the legacy diesel fleet.

These are aggressive, groundbreaking rules.

The private truck fleet rule is the single
largest new measure in the Valley. ARB staff is currently
holding public workshops and the rule will be considered
by the Board in October.

The off-road equipment of construction rule was
adopted by the Board in 2007. The strategy also includes
measures to reduce emissions from passenger vehicles through improvements in the smog check program and expanded vehicle retirement.

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DR. VELASCO: The PM2.5 plan contains the District's commitment to develop and implement a suit of control measures for NOx, direct PM2.5, and SOx.

The District's proposed control measures meet the federal reasonably available control measure, or RACM, requirements, which include requirements for reasonably available control technologies, or RACT. All proposed measures are to be developed by 2010, with implementation no later than 2012.

The PM2.5 plan includes the six NOx control rules previously adopted in the 2007 ozone plan. The District has accelerated adoption and implementation of one of the control measures. In addition, the District has added a new NOx control measure based on equipment attrition. The District has also made progress on two of the feasibility measures from the ozone plan so that these are now control measures in the PM2.5 plan.

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DR. VELASCO: Recognizing the importance of directly emitted PM2.5, additional measures to address this component have also been included. As noted
previously, air quality modeling has shown that directly
emitted PM2.5 emission reductions are approximately nine
times more effective on a ton per ton basis than NOx
reductions in the attainment year.

In 2003, the District adopted the most
comprehensive rule for residential wood burning in the
state. An essential component of the rule is the
mandatory curtailment program, which prohibits wood
burning when PM2.5 air quality is forecasted to reach
unhealthy levels. The rule has been pivotal in the Valley
attaining the federal PM10 standard and in reducing PM2.5
impacts of residential burning. The District is now
proposing to strengthen this rule by lowering the current
air quality threshold for the mandatory curtailment
program.

The District is also proposing to expand the
applicability of its commercial cooking rule. Currently,
this rule applies only to chain-driven charbroiler
equipment. The proposed rule would include emission
controls for under-fire charbroilers.

Finally, the District will adopt the fourth phase
of the program prohibiting open burning of agricultural
waste.

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DR. VELASCO: The Clean Air Act requires

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nonattainment areas to make steady progress towards attainment. To reach attainment in the Valley, 307 tons per day of emission reductions are needed between 2005 and 2014. As shown on this slide's graph, the plan demonstrates continuous progress in achieving the needed emission reductions in NOx and direct PM2.5 through the milestone years of 2009 and 2012.

DR. VELASCO: As part of the reasonable further progress analysis, the federal PM2.5 rule requires SIPs to demonstrate that emissions will be at a level consistent with generally linear progress in reducing emissions between the base year and the attainment year. The blue diamonds on this slide represent the downward trend in NOx emission reductions achieved in the RFP milestone years. The pink boxes represent the linear calculation that must be included in the plan for comparative purposes. As this slide illustrates, the plan is achieving generally linear progress in NOx emission reductions as specified in the rule.

DR. VELASCO: The ARB staff's review indicates that the plan meets the requirements of the Clean Air Act and U.S. EPA's PM2.5 Implementation Rule. As seen in the previous slide, the San Joaquin Valley's plan will result in...
in steady emission reductions ensuring good progress towards attainment.

Reductions from adopted ARB measures will provide reductions for contingency purposes. The District supplement these contingency reductions with two additional contingency measures.

The plan includes the District's reasonably available control measures and technologies demonstration for direct PM2.5, NOx, and SOx. The District followed U.S. EPA guidance for this analysis.

The Valley's plan also includes county-level transportation budgets, which ensure that growth on motor vehicle activity and transportation projects will not interfere with the progress and attainment of the PM2.5 standard.

DR. VELASCO: Finally, the District held two sets of public workshops since plan development began in 2007 and provided opportunity for public input during the development and adoption of the Valley's PM2.5 plan. In addition, last week, the Air Resources Board held a public meeting on the technical foundation of this plan.

DR. VELASCO: As required by U.S. EPA, the District has committed to updating the PM2.5 plan in 2011.
This PM2.5 plan is the result of a two-year effort to update the emission inventories for each mobile, stationary, and area source category; conduct air quality modeling and data analysis; and to develop new control strategies. The 2011 SIP update will provide an important opportunity to once again assess air quality progress, update emission inventories, and check on the progress in achieving emission reductions.

In addition, a new SIP for the recently revised PM2.5 standard will be done in 2012. This plan is just the first of many PM2.5 SIPS. Air quality standards must be reviewed every five years to take into account new health information. The result is that standards are revised and new SIPS are developed.

DR. VELASCO: In conclusion, the Valley's PM2.5 plan meets Clean Air Act as well as the PM2.5 Implementation Rule requirements. PM2.5 particles and the pollutants that form PM2.5 will continue to decrease beyond the demonstrated attainment date. Current air quality data show the northern valley already meets the annual PM2.5 standard and the plan demonstrates the entire valley will reach attainment by 2014.

DR. VELASCO: Therefore, ARB staff recommends
that the Board approve the San Joaquin Valley 2008 PM2.5 plan as a revision to the California SIP for submittal to U.S. EPA.

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DR. VELASCO: Now, I will take a few minutes to update the Board on the status of the Valley's ozone plan implementation. When the Board approved the ozone plan last November, staff was directed to provide an update this spring.

This slide shows the status of the District's rulemaking commitments in its ozone plan. The emission reductions from these new rules will provide benefits by 2014. The total reduction by these rules achieved more reductions than anticipated for both NOx and ROG.

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DR. VELASCO: Through the 2007 ozone plan, the District committed to develop and adopt a suite of emission control regulations which would reduce ozone-forming emissions. The District rule adoption calendar would have those commitments fulfilled by 2010, and the District is well on the way to that goal. This slide shows the SIP commitments that have been fulfilled, and the emission reduction from those rulemakings. When the District begins the detailed rulemaking process, they often identify additional control opportunities that
result in stronger than anticipated rules. As you can see, the District has achieved more emission reductions than were expected at the time the ozone plan was approved.

The District has also revised its cost effectiveness policy to determine best available control technology on large industrial sources. Their cost effectiveness policy is now equivalent to the best in the state.

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DR. VELASCO: This slide shows the status of the remaining ozone plan commitments with actions expected in 2008, 2009, and 2010. ARB staff believes that some of these rules may similarly yield greater than expected emission reductions and will closely track the local rulemaking process.

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DR. VELASCO: I will now focus briefly on ARB staff's activities in the Valley. Staff has increased the number of workshops in the Valley, conducting them both during the day and in the evening, to provide an opportunity for many voices to be heard. Since diesel emissions are the largest source of NOx emissions in the Valley, ARB staff gave special focus to programs which will reduce those emissions.
In addition to the workshop process, ARB staff regularly attends and provides updates on significant board actions and staff activities to the Valley's Governing Board and advisory committees.

Finally, ARB staff has been working with the Valley District, the South Coast AQMD, and U.S. EPA to bring a national advanced technology forum to the Valley. This forum will showcase emerging technologies and the scientists, engineers, and businesses that are trying to bring those technologies to market. Appropriately, this conference will be held at the University of California at Merced during the Valley's Healthy Air Living Week.

This concludes my presentation. And staff will be glad to answer any questions.

CHAIRPERSON NICHOLS: Thank you very much for the presentation.

We have a number of witnesses who've signed up to speak to us. And I think it would probably be useful to hear from them first before we engage in more discussion. I know a number of folks have been very actively involved at every level of this plan preparation and are anxious to make sure that the Board understands what their concerns are as well.

I have to say that although two of them indicate that they're neutral, all of the rest of them are here in
opposition to the plan. So I want to note that, and I want to make sure that we understand what your opinions are and what your suggestions to us are before we get much further down the road.

So without further ado, we'll just ask staff to stay available to answer questions as we go forward.

I'm going to call on Kim Thompson and then Grant Melocik and then Brent Newell, and ask you to come up and speak from the podium. And we will be limiting public comments to three minutes, although I don't know how we're going to be doing the timing.

There is a timer here. Okay.

So you'll be notified when your time is up.

So we will start with Kim Thompson.

Welcome.

MS. THOMPSON: Thank you. Good morning.

My name is Kim Thompson. I'm the Director of Air Quality at the Fresno-Madera Medical Society. Our society is composed of about 1500 physicians in the Fresno and Madera area, and we're connected to other medical societies in Bakersfield, Modesto, throughout the Valley.

We're a part of the California Medical Association.

As you know, physicians of Fresno-Madera are deeply concerned about the poor air quality in the region.

And I'm here today to request your consideration to ensure
the most health protective measures possible for PM2.5 pollution in the San Joaquin Valley.

The adverse health effects and premature death resulting from particulate matter pollution cannot be understated, and is underscored by your staff in research that was reported this morning.

We would further like to add that in these considerations of the staggering health consequence of particulate matter pollution, that we have some local considerations of specific challenges to the San Joaquin Valley in terms of our health care infrastructure to care for patients with pollution related illness.

You may know that all eight counties of the San Joaquin Valley are designated medically underserved areas and populations. Actually the entire county of Madera is a medically underserved area. What does this mean? Well, primarily it means that we have fewer health professionals to population than we do in other regions of the state. For example, if we look at Kern and Merced counties, in terms of nursing staff, they have 55 percent and 41 percent of nurses compared to the state average.

This is particularly acute with physicians. We have half the number of specialists practicing as is practicing in southern California. We have a third of the number that is practicing in the Bay Area. Difficulty to
recruit and sustain physicians in this area is in part due to our air pollution.

Additionally, we are challenged in the Valley with a higher percentage of MediCal enrollees per population than the state as a whole and most other regions of the state. And, conversely, the reimbursements for MediCal patients to MediCal providers are lower than other regions of the state.

In short, this is to say that we here in the Valley are struggling to care for those who are struggling to breathe. And with the anticipated medical cuts that are coming down the line in July, those most impacted will have even less access to care.

So in this critical situation we must ask ourselves, "What does preventative care look like?" And those at the Fresno-Madera Medical Society believes that it starts with a strong PM2.5 plan.

We understand that ways to strengthen the plan include additional NOx reductions as well as VOC reductions. We understand that a large part of the reductions needed for attainment is anticipated to come from CARB's Heavy-Duty Diesel Truck Rule. And so we want to underscore the need for more control measures and contingency measures, so that overall our pollution becomes -- so that the targeted reductions become a
CHAIRPERSON NICHOLS: Thank you.

MS. THOMPSON: Thank you for your time.

CHAIRPERSON NICHOLS: I appreciate very much your sticking to the limit. I know that buzzer when it goes off is a little disconcerting.

We're going to hear next from Grant Melocik, and then we're going to change the order and hear next from Sarah Jackson. Apparently there's been some reshuffling here.

MR. MELOCIK: My name is Grant Melocik and I'm here as a citizen of the Valley and a citizen of Fresno. And I also am opposed to the measure.

I think, once again, based on the information I have been able to read about, the Air Quality Board has failed again to aggressively pursue the available measures that could help us reach an attainment goal quicker.

I'd like to talk about some of the things that we touched on already today. Three thousand nine hundred deaths -- 3,900. If terrorists killed 3,900 people, this country would be in an uproar. And yet we continue to look at partial measures and glide past that.

More importantly, how many tens of thousands of people have severe impairment as a result of these pollutants?
We hear a lot about expense. Every particular group that has their ox gored with these programs, or individuals, scream about expense. But as we all know, this is a cost transfer. We're transferring their costs, the costs of cleaning up their diesel engines, the costs of not using their fireplace -- we're transferring that cost to medical costs, and as the previous person mentioned, in an area where medical care is difficult to attain. So we're not saving any money with this. We're just shifting it from one group to another.

We've talked about jobs. When I first came to the Valley I came as a vice president of engineering. Yes, we had trouble getting medical people. But we have trouble getting the technology people as well, because they do the research, they see what the air quality is. And it's one reason we do not, like the rest of California, have the high income, high capability jobs, because we're pandering -- let's be blunt -- to a lower level of job classification with our lack of being more aggressive in cleaning up the Valley.

Technology. We talk about best available technology. We hear it today that the particulate emissions are nine times worse with a contribution -- the actual particulate is nine times worse than NOx. Well, a lot of the NOx emissions we know are being improved year
by year because of federal standards on vehicles. But what is the difficulty and the technology to be more aggressive about stopping open-field burning, stopping fireplace burning. Action.

The initial discussion was about the voluntary plans. All I can give you is my perception. And, that is, that the people who care, both in business and individuals, have either made improvements or are making improvements. We have to have dedicated, enforceable rules in order to take what I think are a large number of people who are never going to change unless the changes are pushed on them in order to make the improvements.

Again, I'm disappointed. And I think I'm wasting my breath, because the Board, I fear, will vote the way it always does, with those who are really concerned voting against this and those who are representing other interests voting for it.

Thank you.

CHAIRPERSON NICHOLS: Thank you, Melocik.

Sarah Jackson.

MS. BOLANOS: And I apologize for the confusion.

Liza Bolanos. I'll be taking Brent Newell's spot, and we're switching. It wasn't Sarah Jackson. Sorry about that.

CHAIRPERSON NICHOLS: You're Liza.

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MS. BOLANOS: Liza.

CHAIRPERSON NICHOLS: All right. Thank you.

MS. BOLANOS: Good morning. Liza Bolanos, Central Valley Air Quality Coalition. Thank you, Madam Chair and Board members, for making the trip down to Fresno. It's always great to not have to travel to Sacramento and have you in our backyard. So we appreciate that.

Thank you also for the opportunity to speak.

Today you will hear from the membership of the Central Valley Air Quality Coalition. We are a partnership of over 86 local and statewide public health, environmental, and environmental justice organizations, united in our efforts to clean the air for San Joaquin Valley residence and all Californians.

Similarly to last year during the ozone plan, International Sustainable Systems Research Center has done a thorough analysis of this plan and has raised some serious concerns of which we are supportive of -- I'm sorry -- concerns and recommendations of which we are supportive.

Some of those are -- in this plan there's a heavy reliance on the diesel truck rule, a rule which has not yet been adopted and is currently being challenged by EPA in South Coast's ozone plan. This plan overlooks and...
ignores opportunities for additional VOC and NOx emission reductions on stationary sources within the air district's jurisdiction. The contingency plan in this plan is inadequate and does not meet the requirements.

International Sustainable System Research Center has also raised questions of whether this plan will meet reasonable further progress milestones and attainment by 2014. And this is important because of the articles that we saw today, because this is about humans, this is about lives, this is about families. We're concerned about the children, the grandparents, the families that will be impacted by this estimated 3,000 deaths each year.

You will hear from Coalition members in detail about each one of these issues. And we just ask that at the end of today that we have a strong plan that not only the community but advocates and all of the residents of this Valley can be supportive of, because this is about our health, about our lives.

Thank you.

CHAIRPERSON NICHOLS: Thank you.

Can we just clarify this issue that Ms. Bolanos raised about EPA challenging the ARB's heavy-duty truck rule in the South Coast plan. I think I understand this in the context of SIP world. But just to be clear how this affects our ability and timing in adopting the
heavy-duty truck rule, because I think it's important.

DEPUTY EXECUTIVE OFFICER TERRY: Well, I presume that comment refers to correspondence that we've had with EPA with respect to conformity budgets, and what reductions could be assumed in conformity budgets for that program.

CHAIRPERSON NICHOLS: Conformity budgets, are those things that are used to decide whether transportation plans conform with air quality plans and whether federal transportation money can come into a particular --

DEPUTY EXECUTIVE OFFICER TERRY: Right. And because California's the only state that is actually adopting new rulemaking commitments as part of their SIPs, they really don't have a paradigm for dealing with that in their system. And so, therefore, they prefer in their conformity budget programs to just look at measures that are already adopted.

So once our rule hopefully becomes adopted, that issue will go away with respect to the conformity budgets.

CHAIRPERSON NICHOLS: But they're not challenging the rule --

DEPUTY EXECUTIVE OFFICER TERRY: They're not challenging the rule.

CHAIRPERSON NICHOLS: -- saying it's too tough or
that we can't do it or anything?

DEPUTY EXECUTIVE OFFICER TERRY: Right.

CHAIRPERSON NICHOLS: All right. Thank you.

BOARD MEMBER HILL: Madam Chair, isn't there a new interpretation of what they had been doing in the past? I mean that --

DEPUTY EXECUTIVE OFFICER TERRY: This is a new interpretation, yes.

CHAIRPERSON NICHOLS: I think we talked about this last time.

DEPUTY EXECUTIVE OFFICER TERRY: The April Board meeting.

CHAIRPERSON NICHOLS: Right. When we were talking about conformity, right. I just wanted to make sure that we're on the same track.

BOARD MEMBER HILL: The same issue.

CHAIRPERSON NICHOLS: Yeah, same issue.

All right. I think this group has organized itself. So rather than me trying to figure out who's going next, why don't you tell me who's going next.

I have Brent Newell.

EXECUTIVE OFFICER GOLDSTENE: We're showing Mr. Newell as the next speaker.

CHAIRPERSON NICHOLS: Okay.

MR. NEWELL: Can someone else go so we don't hold
CHAIRPERSON NICHOLS: Sure, if that's all right, if that doesn't disrupt your flow.

Okay. Thank you.

Then we'll go to Daniela Simunovic, while we're figuring out how to load up some visual aids here.

MS. SIMUNOVIC: Good morning, Chair Nichols and members of the Board, and welcome to Fresno.

This hearing really -- well, my name is Daniela Simunovic and I work with the Center on Race, Poverty, and the Environment, which is an environmental justice organization with over 18 years of work here in the Valley, working with grass-roots communities on the ground and through the legal system to try to protect those folks who are most vulnerable to pollution here in the Valley. We try to seek environmental justice for those folks who often have to live with a lot of environmental injustice.

Today's hearing really couldn't have come at a more appropriate time. This week in the south valley where our office is in Delano, the skies have been brown the entire week because of the amount of PM that is in the air - PM10 and PM2.5 and PM we don't know, with all of the pesticides and other things in our air. So it's actually been a very good visual reminder. Yesterday I was so
astounded by the lack of visibility, I was taking pictures
in my car of the road.

Additionally to the air, this morning valley residents woke up to the astounding alarm that more than 3,000 of us are at risk of dying prematurely because of the air we're breathing because of PM. And that is, I want to the point out, actually more than double the amount that we as the environmental community and public health community had been advocating. And it's very alarming and astounding, and I think it helps put in perspective the concerns that us and our coalition members as part of CVAQC are raising today. And we do have serious concerns that each member will be raising in more depth, going into what Liza outlined for you today.

One of those concerns is that while we recognize that ARB does have a significant role to play in achieving reductions that will get us into attainment -- and, by all means, we are committed to holding you accountable to those -- we're not just picking on the Air District.

But if you can go to the pie chart that I have there. And I don't know if it's on screen. But --

CHAIRPERSON NICHOLS: We can supply it, but it's disappeared now.

MS. SIMUNOVIC: It disappeared.

Okay. Well, so throughout the development of the
PM2.5 SIP at the air district level we consistently heard that the Air District was only responsible for 20 percent of PM sources of attaining reduction and that ARB had a whole responsibility of 80 percent. So when you look at it -- when we looked further into those statements, yes, if you're talking about solely NOx reductions, yes, that picture is right. But if we look at the whole picture, if we get out of the tunnel and see the landscape surrounding us, like this pie chart shows, we can see that that's not really a whole picture. When we start to incorporate other sources, it actually comes out to be a little bit more even playing field.

We find that CARB has more of -- 43 percent -- continues to have a 43 percent of jurisdiction of the sources of PM2.5, but that the Air District has a 42 percent jurisdiction over some of these sources. And we find that that's significant. This chart was put together by ISSRC, who put this together based on data from CARB and the Air District.

So this brings us to our next point, which is a point that we've continually raised both throughout this process and that we raised during the ozone process, which is that volatile organic compounds, or ROGs, have been left out of this plan and are a significant source that have been -- opportunity that has been missed. We can't
lose track that the same science used to say that VOCs aren't as important actually does -- shows that by going after reducing -- getting reductions of VOCs, that we do get some reductions and it does advance us towards getting reductions of PM2.5. And we feel that that is often misled -- left out of the conversation. And actually at the Governing Board -- at the Air District's Governing Board hearing Jim Sweet, who's on staff developing their plan, told us that VOCs are more effective than SOx in achieving micrograms of PM reductions. So we think that that's important, particularly for the --

CHAIRPERSON NICHOLS: Your time has expired.
MS. SIMUNOVIC: I know.
CHAIRPERSON NICHOLS: You want to just wrap up.
MS. SIMUNOVIC: Wrap up, yeah.
And that's important -- of special importance for the south valley where we have a higher concentration of sources of VOCs.
Again, our concern is that -- based on our concerns, we ask that your Board take action today that moves us forward towards protecting the health of Valley residents. We ask that you amend this plan to include control measures that we've suggested and to help protect us.

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On a personal note, my sister -- I have a sister who I love very much, and a niece and a brother-in-law who for personal reasons are leaving the Valley for continuing education. But I find myself relieved that these people that I love so dearly are leaving the Valley, because I know that my niece will have better lungs because of it. So we just ask you that -- we've brought the -- take the technical analysis that we've worked with with ISSRC I'm developing and presenting to you are serious, and that in the background that what motivates us is our health.

So thank you.

BOARD MEMBER LOVERIDGE: Madam Chair?

CHAIRPERSON NICHOLS: Yes, Mr. Loveridge.

BOARD MEMBER LOVERIDGE: The pie chart perhaps should be circulated around.

CHAIRPERSON NICHOLS: I think it will be helpful, because we really couldn't read the numbers or the headings all that well.

Could we get the paper and just circulate it to the Board.

I don't think you need to make photocopies. I think we'll just pass it along and then include it in the record.

Yes.
BOARD MEMBER SPERLING: Could I ask one --
there's one thing that would help me a lot in
understanding a lot of these concerns. It's probably Dr.
Balmes that can answer this. It's kind of a very mini,
mini tutorial. And, that is, I'm struggling with the idea
that, you know, the PM2.5 levels vary dramatically. You
know, there's a question about the -- seasonally I see
they varied I think like fivefold on a monthly basis; on a
daily basis, probably much more so. You know, there's a
question about the monitors.
And then we come to the control measures. And so
the issue for me is this exposure. And if you have a --
you know, there was this analogy to secondhand smoke. So
the question I have is: If you have an exposure for a
short amount of time, you know, how serious is that, you
know, versus a persistent long-term exposure? Because the
answer to that is going to affect, you know, the --
CHAIRPERSON NICHOLS: -- the control strategy.
BOARD MEMBER SPERLING: -- the control strategy.
BOARD MEMBER Balmes: Well, if I might.
BOARD MEMBER SPERLING: Is there a simple answer?
BOARD MEMBER Balmes: So short-term exposures do
cause effects, both lung and cardiac. So a short-term
exposure to a relatively high level of fine particles can
cause an asthma attack, for example, in children or
adults - that's been documented - an asthma attack severe

enough to cause that person to go to an emergency
department for care.

Another short-term effect is for people with

heart disease. They might actually have arrhythmia or a

chest pain or even a heart attack related to short-term

exposure. And again we have good analogy with secondhand

smoke data where both epidemiologic data showing that

smoking bans in public places change the rate of cardiac

events and in chamber studies like I do, we exposed people

for 30 minutes -- healthy people for 30 minutes to

secondhand smoke levels like you might find in a casino

and got acute effects on blood pressure and on vascular

function with that kind of exposure.

Then long-term exposures, there's concern about
growth of lungs in kids, that a children's health study in

southern California has clearly documented that.

And then there's the mortality issue, which is

somewhere in between an acute and chronic effect.

So the effects are real and the exposures -- it's

the exposure response relationship that drives at the need

for regulation. And at the level we're talking about,

trying to meet the 1997 federal standard of 15 micrograms

per meter cubed on an annual basis, there are in fact

health effects clearly demonstrated at that level, both

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acute and chronic.

CHAIRPERSON NICHOLS: And it's a lot more difficult -- I guess that's sort of obvious -- to meet that low level year-long standard than to meet a daily standard. And some of the measures -- like I'm curious about things like banning fireplace burning. That's going to do very little for the long term, but it will help you with those short-term --

BOARD MEMBER BALMES: Yes. You know, like New Years and Christmas Day are traditionally some of the highest levels of PM in the Valley, both because of the meteorologic conditions that were referred to by staff and the fact that a lot of people like to burn wood in a fireplace on those days.

BOARD MEMBER SPERLING: But it would also affect things like converting the diesel irrigation pumps, which are not used very much, to electricity, you know. I guess it depends when they're used.

CHAIRPERSON NICHOLS: Right.

BOARD MEMBER SPERLING: Okay. Everything is difficult.

CHAIRPERSON NICHOLS: It's not clear yet --

BOARD MEMBER SPERLING: Everything is --

CHAIRPERSON NICHOLS: -- and harder.

All right. Mr. Newell. Thank you.
MR. NEWELL: Good morning, Madam Chair, members of the Board. I'm Brent Newell, attorney with the Center on Race, Poverty, and the Environment. I'm glad you brought up the truck rule issue earlier, because I would like to talk about why that is problematic in regulation to this plan.

First of all, the Board should take the opportunity today to amend the truck rule commitment first adopted in the 2007 state strategy for the California SIP back in September 2007. The problem with the truck rule is that it delivers or promises to deliver a significant amount of NOx reductions, on which this plan relies. Thus, the truck rule is much like the cornerstone of the plan in being able to deliver the reductions necessary to demonstrate attainment. The problem with the truck rule is that it doesn't commit to a specific tonnage reduction. It commits to nothing really. It says it will achieve more or less than the number that has been presented to you in your Board packet.

The state strategy assumes that this is okay because the state strategy also says, you know, "We're going to achieve the total number of reductions. We promise to achieve all the reductions that we need anyway. So it's okay if this truck rule is not specific in what it's supposed to achieve."
The problem is that the Clean Air Act says that the rules that are necessary to attain the standard must be enforceable rules. So the truck rule as promised in the state strategy is not an enforceable control measure because it doesn't commit to achieve anything.

EPA has confirmed that this truck rule commitment is problematic. I've submitted three documents to the Board along with my hearing card:

The first is a May 6th, 2008, letter from EPA to Mr. Goldstene.

The second, which I'd like to put up on the viewer now, is a May 15, 2008, federal register notice which was just published.

And the third is something from 1997.

Now, first, Ms. Terry described that the truck rule dialog between EPA and ARB as being, you know, an exchange of letters. Just a few days ago EPA disapproved the SIP-based motor vehicle emission budgets for the South Coast Air Basin because specifically those control measures that were in the 2007 state strategy were not specific or enforceable. EPA is saying right now, it took final action and published it in the Federal Register, that truck rule is not sufficient to meet Clean Air Act standards. You each have a copy and it's on the viewer there.
I'd like to show you another document here. This is from 1997. And it is a statement of EPA's position that rebuts staff's claims that it's okay -- if you have an aggregate tonnage commitment, it's okay that the truck rule is not specific. Well, in 1997 when EPA approved the 1994 ozone plan, California tried to say, "Look, it's okay. We can move around our individual commitments as long as we meet our overall tonnages." EPA said, "No, that's not okay. If you want to move around your individual commitments, you have to come to us and seek approval under Section 110(o).

So it's very clear through EPA prior rulemakings, in fact one just a few days ago, that this truck rule needs to be amended to provide a specific tonnage commitment, or else this entire plan is based on an unenforceable promise, an illusory contract.

And I'll take any questions.

CHAIRPERSON NICHOLS: We'll also review the written materials that you've submitted.

Are there any other questions at this point?

Thanks. But I know they'll be available.

MR. NEWELL: Thank you.

CHAIRPERSON NICHOLS: Thank you.

Okay. Tim Carmichael and then Sarah Jackson.

MR. CARMICHAEL: Good morning, members of the
Board. Tim Carmichael with the Coalition for Clean Air.

It's good to be in Fresno.

I want to focus on one piece of our concerns, which has been highlighted in our comments and in various conversations with Board members.

I think it's clear from just the people that have testified already that the environmental community doesn't think that the plan before you is adequate. We think that the main measure, as Brent just elaborated on or identified, is not sufficiently defined to be enforceable. And so we got a problem with the pillar of the plan.

But we've also got a concern that whether we're right about that or not, whether the Board adopts the truck rule as proposed or something weaker, the contingency measures that have been proposed aren't sufficient and can be strengthened without a lot of effort from our perspective. Frankly, we get -- as a community I think we get a bad rap for being unreasonable. I think we're being exceptionally reasonable in our advocacy on this plan and on the specific request to the ARB to strengthen that portion of this plan. It is common sense that if you really want whatever your plan is, whether it's a business plan or an air quality plan or a military strategy plan, you're going to have contingencies, and you're going to plan for those. And you absolutely want
those contingencies to work.

And we feel that what has been developed by the District, there are definitely some good components. But it doesn't go far enough soon enough. And that is I think the most reasonable request that we're making to this Board today as part of improving this plan immediately, is to strengthen the contingency measures. We actually think they should just be measures in the plan, because we are pretty confident. But we are not very confident that the overall plan will attain the reductions by 2014 without them. But call them contingency measures if that's what the Board's comfortable with. But let's accelerate the implementation dates and let's make sure that we really do have as many contingency measures in there that we can to back up the truck rule and to ensure that we get to attainment in 2014.

Thanks very much.

CHAIRPERSON NICHOLS: Thank you.

I'm going to ask staff to clarify or explain exactly what a contingency measure is from the Clean Air Act's perspective. I will turn to our guru of SIPs.

Lynn Terry, can you do this?

DEPUTY EXECUTIVE OFFICER TERRY: Sure, I'll give it a first cut. And then if our -- Bob Jenne in our Legal staff wants to add anything.
There are two contingency provisions in the Clean Air Act with respect to SIPs. One is contingency for the rate of progress requirements and then the second is for attainment itself.

So we're required under the EPA PM2.5 Implementation Rule to demonstrate we have contingency for rate of progress in milestone years; in this case would be 2009 and 2012. And we have done -- the District has calculated that. We've reviewed it. And those contingency tons are from adopted measures. And that is also a key requirement for contingency measures, is they must be already adopted and no further action on the part of the state or locals would be needed to trigger them should the progress or attainment not be met.

So fortunately in California because we have a strong program, and each year emissions are decreasing, we do have tons from adopted measures that are calculated for 2009 and 2012 for progress. And then again in 2014 because of our strong program and fleet turnover and the adopted rules, each year thereafter we have substantial new reductions in NOx and diesel particulates that will provide contingency for attainment. And those tons are calculated as well.

CHAIRPERSON NICHOLS: So, again, just to put a point on this, if there's a rule that's submitted as a
contingency rule, it has to already be adopted and be
ready to go. So then what causes the switch to be
triggered if it -- I mean the rule could just be going
into effect anyway and you just call it a contingency rule
versus a regular rule? And what is actually the
difference?

DEPUTY EXECUTIVE OFFICER TERRY: Well, I guess
the difference, it depends on the circumstance. If you
have adopted rules on the books already, then obviously
the reductions will be happening and there's no need for a
trigger. Now, if -- for example, it's possible to have an
adopted rule that has a set of requirements that are in
place on an ongoing basis, and then it could also have a
trigger imbedded in the rule that says, for example, in
2014 if the District were not to attain, then
automatically this additional provision of an adopted rule
could come into place without further action.

CHAIRPERSON NICHOLS: It could be a rule that
wouldn't actually take effect unless air quality levels
reached a certain number?

DEPUTY EXECUTIVE OFFICER TERRY: That's right.

BOARD MEMBER SPERLING: Could you give us some
specific examples which ones of these are contingent
measures and --

DEPUTY EXECUTIVE OFFICER TERRY: Do you want to
take that one?

BOARD MEMBER HILL: And, also, this reliance on
the on-road diesel rule, how do we get there without that
through the contingency plans that are already adopted --
the measures that are adopted?

DEPUTY EXECUTIVE OFFICER TERRY: Which one do you
want to do first?

(Laughter.)

BOARD MEMBER HILL: I was just going to add that
in. Sorry.

DEPUTY EXECUTIVE OFFICER TERRY: We'll do Dr.
Sperling's first.

And I'll ask Karen Magliano, staff who worked on
the plan document, to talk a little bit about the
measures.

AIR QUALITY DATA BRANCH CHIEF MAGLIANO: Sure.
I'm Karen Magliano and I'm Chief of the Air Quality Data
Branch at the Air Resources Board.

For contingency measures in the RFP years of 2009
and 2012, as Lynn mentioned, we held back specific
tonnage. So not specific rules per se but a certain
amount of tons of already adopted measures that could
serve as contingency. And then when we look at the
attainment year, again as Lynn mentioned, there are
ongoing reductions from our overall control program that
continue to provide contingency reductions 2015, 2016, 2017 and beyond.

CHAIRPERSON NICHOLS: Well, it's really a margin of safety than it is a continual -- I mean as I would think of it, right?

AIR QUALITY DATA BRANCH CHIEF MAGLIANO: The District also identified additional emission reductions that they could get from incentive programs and fee programs, that are not included as part of the attainment demonstration, but also serve as additional contingency reductions.

BOARD MEMBER SPERLING: So why are there these criticisms that this contingency cushion is so small? Is it smaller than unusual or is it not real or --

DEPUTY EXECUTIVE OFFICER TERRY: Well, no. I mean the measures are in place and the rules will be implemented, and so they're very real. There is no absolute requirement in terms of how much contingency must be provided. So we've provided a lot of tons that are resulting from our ongoing program on the progress side. And we're in a different -- we have such a strong program and we have a very sharp -- a decline in emissions going forward. So since the adopted measures are providing very substantial reductions each year, you know, we would argue there's not a need for contingency from a
progress standpoint.

But it is very true that the truck rule is a large piece of that very last increment. So we're going to get on the order of 300 tons per day of NOx reductions between now and 2014. The truck rule is about 70 of those tons in that last increment. And again because of the timing of the new diesel engines not being available with full NOx control until 2010 and 2012 time frames, the reality is we're going to have to rely on that measure sort of as the last increment. And that all of the other adopted measures are going to get us very close, so that at the end of the day in that last couple of years the truck rule is what's going to deliver the last increment.

CHAIRPERSON NICHOLS: Right. And now to jump in, because I -- I think this is really important. The truck rule is a rule that we haven't yet adopted, right? It's a proposal. And so the distinction between the world of SIPs and the Clean Air Act and the world of our authority under the Clean Air Act to adopt motor vehicle regulations is that if we were to put a binding commitment in the SIP to get a certain number of tons from the truck rule, which is what Mr. Newell would have us do, we would be in a position of prejudging the outcome of a rulemaking that we haven't yet done. And arguably -- not only do I think that's not really very good policy even though, you know,
we can come as close as we can to making a commitment that
we're going to get those tons. But to say we are going to
get them from this particular rule by this particular time
would completely eliminate the whole rulemaking process
that we have to go through on the truck rule.

It would mean we were not listening to the
public, we weren't going through the whole Administrative
Procedure Act that state law requires of us. It puts us
in a position where we're either violating our own state
law and administrative procedures or we're at least coming
close to being in trouble with the Clean Air Act.

And that's where we're being put into this
difficult position, because understandably the community
wants a guarantee, they want a commitment that they can
hold us to and sue us if we don't do it on time. I
completely understand why they'd want that in their
position. I would want it too. But at the same time we
at the Air Board have this obligation to go through a
deliberative process and come up with a rule.

So I think it's a good thing to have this
discussion now.

BOARD MEMBER D'ADAMO: If I could just interject
here.

From a policy perspective -- I think this is sort
of a quandary in the world of SIPs, right, in the plan

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here. But from a policy perspective, we are -- well, first of all, we're obligated under the SIP. Perhaps if we don't reach the tonnage reduction on the truck rule, we have to go someplace else. So we are obligated on an overall assignment for tonnage reduction. Then from a policy perspective, I think we need to meet as stringent of a rule as possible. And I would just suggest to the advocates that are here today, we're going to need help on that rule. They'll be putting pressure so that we adopt as stringent of a rule as possible. Because if we don't meet the tonnage reduction under the on-road rule, we're going to have to find it someplace else.

CHAIRPERSON NICHOLS: That's very true.

BOARD MEMBER LOVERIDGE: Tim's been listening to this discussion. Are you more happy at the end of the discussion or do you still have --

(Laughter.)

MR. CARMICHAEL: Well, I noticed that I had 28 seconds left on the clock. And I was wondering if I might use a fraction of those just to add a couple quick points. Chairman Nichols' point the way she framed it sounds very reasonable. But I also want to remind the Board that the Clean Air Act actually envisions SIPs including only all adopted measures. So the fact that EPA over the years has let states like California slide and,
quote-unquote, submit and approve committal SIPs as opposed to what the Clean Air Act calls for is a plan that includes only adopted measures. It is important context when you're thinking about the challenge that Chairman Nichols identified for the Board this year.

Two other quick points. I don't want the Board to get hung up on this language of contingency measures. What we're talking about is a real contingency. We don't want to rely so heavily -- we don't want the Valley to have to rely so heavily on one measure to achieve so many tons in 2014. So given that, we're advocating for trying to get more reductions from other measures sooner so we're less dependent, if you will, on that one measure.

And, finally, I assure you, Board Member D'Adamo, that many advocates will be with the Board this year pushing at every turn for the strongest truck rule possible. I can guaranty that.

CHAIRPERSON NICHOLS: Thank you.

DR. BALMES.

BOARD MEMBER BALMES: Well, you know, maybe I'm just a simple city doctor here lost in the country. But can somebody actually list the contingency measures that are there, so I have some sense of, you know, what our commitment is already and whether we should have more.

Because throwing around contingency measures doesn't help
me. I need sort of specifics.

BOARD MEMBER BERG: And, Madam Chair, I mean to
your point, Dr. Balmes, it's my understanding that we have
a cushion, if you will, which I think is a much better
terminology, of about 1 percent on the PM and about 3
percent on the NOx. That is kind of the cushion we're
working on --

CHAIRPERSON NICHOLS: In terms of --

BOARD MEMBER BERG: -- that they are calling a
contingency. But what I'm hearing from Mr. Carmichael is
we would like additional true contingencies, that if we
can't get X, we can then count on Y, so that it tightens
up. That's what I'm hearing.

I just want to make sure that we're talking
apples to apples.

CHAIRPERSON NICHOLS: I think the staff has
reviewed some of the suggestions that were coming from
community groups at earlier hearings, and has looked at
what other measures might be included on that list that
are things that are already basically in front of the
District. I mean they're not measures that we would be
inventing here but are measures that have already been at
least discussed and maybe even in the works. And we could
do that now. Or, again, we could probably just let the
witnesses speak and then kind of bring it back to that.
Thank you very much.

Okay. Sarah Jackson and then Catherine Garoupa.

MS. JACKSON: Good morning. My name is Sarah Jackson. And it's actually kind of fortuitous. I was going to speak about contingency measures too.

CHAIRPERSON NICHOLS: Perfect timing.

MS. JACKSON: I'll try not to add anything that's already been said.

And actually before we start, I did want to address, Chair Nichols, the concerns you had about kind of the pull between the policy and the reality based on the truck rule. And I think that I'd like to throw out this third option, which is that the Board could commit to a certain number of tons, and the plan in the future can be amended in case ultimately the truck rule doesn't come through. Which we really hope it will come through and we're going to be there to fight. But I think that the concern that if it doesn't, you'll be held to a number that isn't possible could be alleviated through amendments that find the same number of reductions elsewhere. That's just a third option for you.

And I was going to speak about contingency measures because I think we do feel a strong concern that this plan might not be getting us where we need to be. I've given you a chart, I think. Did it go around?
But I don't like to dwell on the past too much. But this chart kind of gives us some background as to why we as advocates are so concerned about what we feel is a lack of real contingency measures in this plan. And that is that there is a long history of things not working out in the Valley and air not getting clean as quickly as it should. And Dr. John Telles, who couldn't be with us today, expressed very serious concerns over the lack of what he felt were good backstop measures to protect the people of the Valley in the case of a failure to make the RFP milestones or the failure to ultimately make attainment in 2014. And I think that that was one of the things that led him to vote no on this plan.

And I think that we have and will present a number of options for strengthening this plan. We feel they're all very reasonable options and that they should be made, as Tim Carmichael said, parts of this plan that will help us have a real cushion in case things don't work out.

But because we feel that this plan does lack actual backstop measures and doesn't have that safety net that we all really want for the Valley, we hope that we can get real contingency measures put into this plan that will help protect from the shortfalls that we're all, all of us, working so hard to avoid.
One example of a contingency measure that I think we'd all like to see is something that the South Coast has also proposed and, that is, potentially having restricted construction activities during bad air days. And this is of course only if it is ultimately needed because failures have occurred and progress from the reasonable measures that we hope will be in the plan and that if the progress that the plan achieves just doesn't get us where we need to go.

So we encourage you to take a look at the potential and the opportunity that contingency measures provide to give the Valley and the people who live here and breathe here the protection they need.

Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

BOARD MEMBER D'ADAMO: I have a question --

CHAIRPERSON NICHOLS: Yes.

BOARD MEMBER D'ADAMO: -- of Sarah.

CHAIRPERSON NICHOLS: Sarah, question.

MS. JACKSON: Yes, I'm sorry.

BOARD MEMBER D'ADAMO: I was just hoping we'd get a list so -- maybe there are other --

MS. JACKSON: A list of --

BOARD MEMBER D'ADAMO: -- a list of contingency measures that you recommend.
MS. JACKSON: Okay. I think we can put that together. I'm not sure I have it on me right now.

DEPUTY EXECUTIVE OFFICER TERRY: I also have a question. Because we do have the comments provided by basically ISSRC report which walks through boilers, dryers, glass furnaces, et cetera. And so my question -- if that list hasn't changed, we do have that list.

CHAIRPERSON NICHOLS: Do you support that list, the ISSR --

MS. JACKSON: Well, I think that -- that list is the list that we believe are measures that should be in the plan as committal measures. And that's sort of where we stand based on our fear that RFP isn't where it should be and that attainment may not be where it should be. I think that if all of those issues were to be resolved, if we felt that attainment is demonstrated and we're not going to be worrying about getting there with the rules that are already in there right now, that having answered all those questions, those would be great contingency measures.

BOARD MEMBER D'ADAMO: Could we get a copy of that report? I don't think we have it.

MS. JACKSON: It was submitted yesterday, I believe.

DEPUTY EXECUTIVE OFFICER TERRY: If the comments
are not in your package -- I'm not sure that they were
formerly submitted, but we have them, so we'll have them
so you can get them.

CHAIRPERSON NICHOLS: Well, they are signed up to
testify later. So maybe they can provide it when they
come to testify.

It's a little frustrating for our staff, and I
really would appreciate if people would not keep coming
forward and trying to readjust their place in the queue.
But, you know, we do have now one person who's saying that
he has to leave. And so I'm going to ask Ms. Garoupa if
she is willing to have Jim Quan go ahead of her. Are you.

All right. Jim Quan.

But please try to keep this down. It's just too
confusing.

BOARD MEMBER HILL: Madam Chair?

CHAIRPERSON NICHOLS: Yes.

BOARD MEMBER HILL: At the end when we have our
discussions, perhaps Ms. Terry could put together those
contingency items and then we could discuss them and see
how --

CHAIRPERSON NICHOLS: Yes. I think it's clear
the Board wants to have a list to look at here.

BOARD MEMBER HILL: That would be great. Thank
you.

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CHAIRPERSON NICHOLS: Thank you.

MR. QUAN: I apologize for cutting in line.

But I want to welcome the Board to Fresno.

I'm really here to talk about not so much policy but some potential solutions. A lot of times the discussion of policy is all consuming and it puts blinders on the folks that are developing that policy.

So my company is in the energy development business, and we've been developing projects since 1984. We permit and operate emission sources that operate 24/7. We have Ford compliance consulting group and we study and research how to provide lower emissions resources so that they can continue to operate and meet new rules and new reductions in the future.

We have a group of engines -- I can't see the -- oh, there.

We have a group of engines that produce very low levels of emissions. They're available now. They run on natural gas and propane. There's a wide range of horse power available. They're cost competitive with Tier 3 engines.

The emissions reductions are dramatic based on the existing Rule 4702. And their emissions capabilities on a per engine basis, we're talking about more than three tons of NOx annually, more than three tons of PM10
annually on a per engine basis.

I think that just some key things I'd like to say. It would be nice if we could feel verify engines. It would enable us to bring more solutions to the table quicker. That if incentives were tied to actual emissions reductions, the greater the reduction, the greater the incentive.

The RCs help to privately fund these types of projects and continues with the momentum in sort of real world emission reductions.

Third party ownership of these engine resources would help people who are facing new rules and regulations, to manage them through a third party, where a third party would come in and own and operate the engines, manage all the permit conditions. It's something like a brake horsepower per hour agreement, where the farm or ranch would pay for the engine on a take or pay -- say they need a thousand horsepower a year. We would come in and supply the engines.

A pilot program. It would be nice to put something in place that could actually verify these actual emissions, place three or four of these engines and keep track of them for a year and verify that they do in fact provide these kinds of reductions.

And last but not least, that it would be nice to
be able to create some sort of regulatory bridge that
everybody who's faced these rules has a chance to cross,
to get everybody moving in the right direction.

Thank you very much for your time.

CHAIRPERSON NICHOLS: Okay. Thank you.

Now Catherine Garoupa, followed by Ed Bruno.

MS. GAROUPA: Good morning. Catherine Garoupa
with the Madera Coalition for Community Justice.

For those of you unfamiliar with the Valley
geography, Madera county is located just to our north.
And development there has clustered along our major
transportation corridors, which is typical. But this
raises serious concerns about our population's continual
exposure to concentrated emissions of particulate matter
that occur in a near-highway environment.

Even if the current plan brings our region into
attainment, pricing questions remain about those
populations situated near freeways, a concern shared by
our representative, Dr. Telles. Your staff's report
earlier heightens these concerns as we better understand
the severity of these impacts.

I personally can speak to the health impacts
because I grew up within eyesight of Highway 99, one of
the thousands of needless additional cases of chronic
bronchitis that occur each year.
Then there are environmental justice communities like Fairmead, an unincorporated area caught between the burgeoning cities of Madera and Chowchilla, which is situated directly next to Highway 99 and the Highway 152 interchange, which is currently being expanded. Not to mention numerous other sources nearby such as the railroad that runs parallel to the freeway.

There's growing evidence of elevated levels of ultrafine particles, black carbon, oxides of nitrogen, and carbon monoxide near freeways. Taken as a whole, health studies show elevated risk for development of asthma and reduced lung function in children who live near major highways. And CARB's staff report earlier again found that Californians exposed to high levels of fine particulates had their lives cut short on average by ten years, which is incredibly shocking.

Furthermore, there is a lack of adequate monitors in the Valley, and Madera is a perfect example. Our monitor lies on the border with Fresno County, very far from where our population actually lives and breathes. Without accurate data on the types and levels of emissions that residents are breathing, there is considerable concern over the PM2.5 SIP as it currently is and its contingency measures.

This plan must be as strong and health protective
as possible to ensure that communities bearing the brunt of deadly soot emissions will also reach attainment of health standards by 2014 in addition to the region.

We are encouraged by improvements in air quality. And yet since 2002, of 174 tons of pollution per day removed from the Valley air basin, 111 of those tons is due to lawsuits and legislation. This fact does not boost confidence in this cleanup plan and its back-up measures.

I urge you on behalf of thousands of Madera County residents and hundreds of thousands of Valley residents living near freeways, who couldn't be here today for various reasons, to strengthen the plan by adding concrete commitments and control measures that will get us to clean air faster.

Thank you.

BOARD MEMBER D'ADAMO: Thank you.

Next we'll call Ed Bruno.

Ed Bruno.

Okay. Laura Fultz.

MS. FULTZ: Good morning, Board and staff. My name's Laura Fultz. I represent as a breather here in the Valley and I work for Coalition for Clean Air, a statewide organization advocating for clean air all throughout California and today specifically here in the San Joaquin Valley.
Considering the severity of the air pollution crisis in this valley, we strongly believe the region deserves an aggressive cleanup plan.

We're not alone. Of course you've heard over and over again three out of the eleven voting Air District members voted against this plan, and specifically are newly appointed doctor. And I for one trust these three to help protect us in this Valley.

And just this -- the actual quote that Dr. Telles gave is: "Is there a possibility this plan may fail?"

And then if -- and he was told yes. And so he said, "We need more contingency measures in case that happens."

So, additionally, firm emission reductions are needed in this plan. This will assist community and industry to plan for the future, to prepare for those reductions, with change in behavior with our wood burning, and also shift to cleaner technologies in our industry. And they need to prepare just like us community members. And we need to highlight and affirm and copy those clean businesses and individuals.

Thank you.

BOARD MEMBER D'ADAMO: All right. Thank you.

Ingrid Carmean. And after Ingrid we have Melissa Kelly-Ortega.

MS. CARMEAN: Hi. My name's Ingrid Carmean. I'm...
the owner-operator of a pest control company. Less pesticides means less VOCs, which contribute to PM2.5s. This is why I use a method of pest control called Integrated Pest Management, a long-term preventative approach to managing pests that can combine four methods of control:

- Biological. Glibly, one creature eating another.
- Cultural. Like sanitation, cleaning up a chocolate, or throwing out their trash.
- Physical. Stepping on the bugs, using snap traps, or sealing up cracks that the bugs can enter your house through.
- And chemical. IPM involves a decision-making process based on pest identification and population monitoring, action thresholds, and knowledge of pest biology. Pesticides are used judiciously and only as the last resort.

There are many advantages of IPM, from having more tools to leaving an environment which is less toxic for the occupants. But what we are concerned with here is using less pesticides, which means less VOCs and less PM2.5s.

When I control ants, I usually use baits in bait stations. When baits are in bait stations, the amount of pesticide that actually is released into the environment...
is only the amount that the ant can consume, which is a
big contrast to somebody else who's just spraying the
perimeter of the house, the eaves of the house, around the
windows, and up and down the walkways.

And so this is one example of how I perform my
work to improve the air pollution problems in the Valley.

Also, when I purchased a small truck a couple of
years ago, I purposely purchased the truck that produced
the lowest amount of pollutants. I'm doing what I can to
make this Valley a better place to live and I hope you
will too.

Thank you.

Chairperson Nichols: Thank you.

Melissa Kelly-Ortega, followed by Mary-Michael
Rawling.

Ms. Kelly-Ortega: Good morning, Madam Chair and
members of the Board. My name is Melissa Kelly-Ortega.
I'm the program associate with the Merced/Mariposa County
Asthma Coalition; and a mother of three children, two of
which, my daughters, have asthma.

Both of my daughters have their asthma under
control now. But there are many asthmatics who cannot
control their asthma, and breathing polluted air, as you
know, not only exacerbates asthma attacks but actually
kills. So any delay in PM2.5 attainment means another
death. We see many people suffering due to asthma in our personal and professional lives. I've told stories about young people dying from asthma.

This morning I learned that Ms. Lupe Ordunez, my daughter's preschool teacher, who struggled a lot this last winter, has for the past three days awakened at 4 a.m. unable to breathe. She does not have insurance. She cannot afford the $120 every month to purchase her Advair, which is her controller medication. We've made a few calls, and she will be taking tomorrow off to see if she will be able to get into a program that will help pay for that cost.

We're working very hard to find solutions and to educate people on how to control their asthma.

We all agree it is a fundamental human and moral right to breathe clean air. I want to keep the pressure on the heavy-duty diesel truck rule and keeping it as stringent as possible, because we do need a very strong diesel rule to meet the PM2.5 attainment in the Valley.

Family and friends of those with respiratory illnesses are asking you to make some changes in this SIP.

Either send the plan back to the District with the specific guidelines that will make it more substantial or amend it yourselves. You will be saving lives, and that is an awesome and amazing responsibility. And we thank

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you because we think you will be doing that.

Many of us were here on December 18th asking the District to do more with this plan. We were here on April 30th, and throughout the process, while there were some minimal changes, it's still disappointing that we're not seeing more commitments in the District's own backyard. I wish we had as many decision makers, local and state legislators, as we saw in Sacramento not long ago when the topic was on money. If we had as many passionate and political -- if we had as much passion and political will when it comes to rulemaking and regulations, my youngest daughter may not have had her first full blown asthma attack on Christmas morning - the Christmas fireplaces.

While we are not all air quality scientists, we know firsthand the effects of breathing polluted air. Many of us are parents, friends, and family members of those who have asthma. We're here to remind you that people are dying. You know that all too well. We're here to show our commitment to breathing clean air; to thank CARB and the District for the steps that have been taken that will actually clean the air; but, more importantly, to let you know that we will continue to expect much more from all agencies that protect public health.

Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

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Ms. Rawling, followed by Bonnie Holmes-Gen.

MS. RAWLING: Good morning, Madam Chair and Board members. My name is Mary-Michael Rawling. I'm the Program Manager of the Merced/Mariposa County Asthma Coalition, also the wife of an asthmatic. So I have a professional and personal stake in this, as so many people in the room here today.

Welcome to a windy San Joaquin Valley this morning, where you can see firsthand the tremendous challenge we face when it comes to cleaning up particulate matter. Despite a haze that's blanketing us this morning, I saw at least a couple of tractors plowing fields and one burning site just in the one hour coming down from Merced. We certainly have a lot of work to do and we need a plan robust enough to do it.

There's nothing I can really tell you this morning about the urgency of our health crisis in the valley that you didn't already hear today from your own staff's research project and others that have testified this morning.

I hope you all know as well that May has World Asthma Day. It's Asthma Awareness Month. Billboards and newspapers throughout Sacramento have been running this ad today -- or throughout the month to remind people about how prevalent asthma is in the State of California.

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Also, asthma coalitions throughout the state have been busy putting together report cards of asthma in their communities. These are the people that are on the ground that see the daily suffering; the asthma attacks; the chronic coughs; and, unfortunately, the deaths, including moms leaving children behind, as we saw in Merced County, and at least two of them last year. These reports span California from San Diego to Sonoma and everywhere in between, including in the San Joaquin Valley. And they say the same thing – that strong air quality measures need to be put in place and adhered to in order to prevent asthma morbidity and mortality.

They also say that certain communities suffer disproportionately. For example, some counties in the Valley suffer one in six, like the state average, they suffer one in four children, they suffer one in three children that have asthma.

So I encourage you today to take a step back and reevaluate the plan that's in front of you and ask if it's the best we can do to meet an already outdated standard. We're going to have to go and push much further in the future. And we need to take a good strong step in the plan before you today.

Thank you very much for taking the time to listen to our requests.
Chairperson Nichols: Thank you.

Bonnie Holmes-Gen, followed by Nichole Davis.

Ms. Holmes-Gen: Good morning, Chairman Nichols and Board members. I'm Bonnie Holmes-Gen with the American Lung Association of California. I'm pleased to join you.

And we want to certainly indicate that we appreciate the amount of work that the Board and the San Joaquin Valley staff have put into developing the plan and the public outreach and involvement. But we do want to express that the Lung Association is concerned about the serious public health problems of particulate matter and the fact that we can possibly do more to strengthen this plan.

We are concerned that -- we think the Board needs to take a very cautious approach here, given the serious pollution problems and the asthma problems especially in the Valley. We've talked about the high rate of asthma among children in the Valley. And not only do one in five children have asthma, but one in three families have a member with a respiratory ailment, and we're extremely concerned about the implications of this.

And I think the importance of the Board taking a cautious us here is especially important in light of the information that's been presented today about the...
premature deaths that are occurring well below the state's
even more health protective standard of 12 micrograms per
cubic meter. So while this plan that we're talking about
today is to reached the federal standard of 15 micrograms,
we already have a state standard that's more health
protective. And our researchers today are saying that
even at the state's more protective standard, we're still
having a major concern about premature deaths from
particulate pollution.

So we believe that -- there have been some
additional measures that have been presented to the Board
from some of the Valley groups, and you've been talking
about those today, some of the contingency measures and
measures to strengthen the plan. And we think these
measures deserve some careful consideration for inclusion
in the plan or at least as contingency measures.

And, you know, I know that all of you are
concerned about acting in the best interests of air
quality and public health here. And we believe that in
this case that means taking more time here to review some
additional tons that we can get to provide a more adequate
margin of safety and to look at where we can strengthen
especially the contingency component of the plan. I mean
it's clear that there are measures that are currently
under the San Joaquin Valley's jurisdiction that could be
strengthened. And your staff report indicates that there are measures in the plan that could be strengthened to achieve additional emission reductions if they are strengthened to meet the standards that have been adopted in some air districts around the state, namely the South Coast Air District.

So I think that there are some specific examples. I know other colleagues are going to be presenting some of those specific examples of measures that could be adopted. And we think that would be a reasonable approach in light of the public health crisis in the Valley.

Thank you for your attention.

CHAIRPERSON NICHOLS: Thank you.

Nichole Davis. And then we're going to go to some people who are at the location in Bakersfield.

Nichole Davis.

MS. DAVIS: Hi. My name's Nichole Davis. I am with ISSRC. ISSRC was hired on behalf of the public to conducted an independent technical analysis of this plan as well as identity any opportunities that may exist to strengthen the plan.

We are happy to come here today reporting that we have received help from ARB staff on the technical analysis of the plan. And the data we will present today has been verified as accurate by the ARB staff.

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We have concluded that there are three areas of the plan that could be improved:

First, the maintenance of reasonable further progress, or RFP.

Second, the demonstration of attainment of the standard.

And, third, the inclusion of additional contingency measures.

I will focus on the reasonable further progress, as I believe that it's one of the most compelling reasons for including additional measures in the 2009 to 2012 time frame.

RFP is required to show progress is being made throughout the entire period of the plan, to both realize improved public health early on as well as identify situations where plan reductions are not being achieved and contingency measures need to be kicked in to ensure we stay on track towards attainment. The EPA rule states that you can calculate general linear progress by ensuring the plan meets milestones. These milestones are at 2009 and 2012.

I had a graph to show.

Oh, great.

The green triangles are the milestones, as defined by EPA. The blue line is the current plan that
you're looking at today. The red X's are the base-line case. And this represents what happened if no plan was adopted.

You can see the new plan looks very similar to the base-line case, until it drops steeply in 2013 where 90 percent, or approximately, of the new reductions are achieved.

The main takeaway point of this graph shows that RFP milestones are failing to be met in 2009 and 2012 - specifically by 47 tons per day in 2009 and 60 tons per day in 2012. To put this into context, 60 tons per day is equivalent to more than 20 percent of the overall reductions needed in NOx from 2005 to 2014. It's also equivalent to approximately two years of linear progress of the plan.

CHAIRPERSON NICHOLS: Your time is up.

Is that okay? I mean can you finish your point here? You have a graph.

MS. DAVIS: Well, I guess I'm finished enough.

Although to say that we think we have identified additional opportunities that could be included as control measures, mostly from the stationary source sector, that would address these specific milestones in 2009 and 2012.

Okay. Thank you.

BOARD MEMBER LOVERIDGE: Madam Chair, could I ask
what ISSRC is?

MS. DAVIS: It's called International Sustainable Systems Research. Jim Lintz is the founder. We're located in Diamond Bar.

CHAIRPERSON NICHOLS: Thank you.

This may be a good time -- I don't want to, you know, get into back and forthing on too much of this stuff. But on the issue of reasonable further progress and what the line is supposed to look like for reasonable further progress, it might be a good opportunity to at least again have some basic explanation here of what the requirement is for demonstrating reasonable further progress in a plan, especially a PM2.5 plan, because this is an area where EPA gives very specific technical guidance as to what we're supposed to show.

Any normal human being would think they understood the term "reasonable further progress." But, no, we have to have an actual definition.

So, again, let's turn to Lynn Terry for an expert explanation here.

DEPUTY EXECUTIVE OFFICER TERRY: I love to try to explain what EPA is requiring.

(Laughter.)

DEPUTY EXECUTIVE OFFICER TERRY: Such a pleasure.

CHAIRPERSON NICHOLS: Well, they're not here to
explain it for themselves.

DEPUTY EXECUTIVE OFFICER TERRY: That's right.

CHAIRPERSON NICHOLS: So you have to do it for them.

DEPUTY EXECUTIVE OFFICER TERRY: EPA adopted an implementation rule that lays out a calculation process that must be done as part of the demonstration of reasonable further progress. And that is the line that Nichole indicated as RFP requirement.

In terms of the calculation, we did sit down, our technical staff, with ISSRC. And so we are in agreement about how to calculate that line that's required to be included in the plan for comparative purposes. Now, that's step one.

Step two is then to look at the progress that will be achieved between the start year of the plan and then the ultimate attainment year. And as long as the progress is consistent with a generally linear progress, then that meets the federal requirement. It is not required to exactly match that sort of benchmark line that is calculated. That is required to be there for comparative purposes. And so in our staff's presentation, we had the RFP line indicated both the benchmark, sort of the dots, the regression analysis approach. And we could certainly pull that slide up to look at the two of them.
side by side and see how that process works.

But it's essentially a two-step process. Here's
the line you must, you know, be generally consistent with.

CHAIRPERSON NICHOLS: I guess the concern here,
and this gets back really to Dr. Sperling's question, has
to do with the impact of shorter term, you know, one-year
excursions, if you will, above the line as opposed to, you
know, sort of trying to maintain steady progress from
point A to point B, from where we are now to the point of
attainment, and how worried one should be about any
individual year in which, you know, the two lines are not
exactly matching up with each other. And, again, I guess
we don't really have a health-based answer to that,
because we're concerned about both, right?

DEPUTY EXECUTIVE OFFICER TERRY: Could I just add
one --

CHAIRPERSON NICHOLS: Just identifying the
problem here.

DEPUTY EXECUTIVE OFFICER TERRY: Yeah. And one
clarification is that on the progress issue, the progress
under the Clean Air Act for the milestone years prior to
attainment is defined in terms of emission reductions.
When you get to attainment, it's defined by the actual
measured air quality. So I think that's something that's
important -- an important distinction to make.
So that calculated line is the rate of emission reductions. And certainly it's very true with variability and meteorology that even with the same emission level you could have different ambient levels.

But the interesting thing about 2.5, it is the pollutant we are seeing the most consistent downward trend in measured levels. And that is very positive. And the secondary formation of ammonium nitrate in our strong NOx control program we believe is really paying off statewide very uniformly, unlike any other pollutant. So that's a piece of information that we talked about in the staff report as well.

CHAIRPERSON NICHOLS: Thank you.

All right. We're now going to turn to people who have signed up to testify from the Bakersfield location. This is a new thing for me. So I hope it will work.

But the names that I have from Bakersfield are Linda Mackay, Arthur Unger, and John Digges. I hope I'm pronouncing your names correctly. And if you'll just come forward. And I guess the timer will work there also.

MS. MACKAY: Good morning.

Should I begin?

CHAIRPERSON NICHOLS: Yes, please do.

MS. MACKAY: Okay. Good morning. My name is Linda Mackay and I live in the very south end of the San
Joaquin Valley in an air district in Lebec. It's along Interstate 5, part of the grapevine communities. I sit on the mountain communities' town council and I'm part of a local environmental organization called the Tri-County Watchdogs.

Our mountain communities often feel ignored by the San Joaquin Valley Air District because we're not in the Valley. But we're being impacted by the pollution of the Valley, and we are part of the District.

If I come across angry today, you'll have to forgive me. It's because I'm just an ordinary person who's on the ground, living on the front lines, and I've had to teach myself about air pollution. And the more I learn, the more frustrated I get about who has the authority to protect me and my family from the pollution we breathe.

I'm frustrated because I pointed out at the Air District hearing on this plan that I didn't see how the District could come up with a good plan when they don't have an accurate picture of PM2.5 within the entire District, because they don't have PM2.5 monitors south of Bakersfield. Again, we don't count.

District Board Member Judy Case made a comment, assuming I was wrong, in mentioning she knew there was a monitor in Arvin. District staff didn't correct her and...
explained that the monitor that the District has in Arvin is measuring Arvin's infamous ozone. But the District is not measuring PM2.5 in Arvin or anywhere else south of Bakersfield.

The mountain communities have asked for a monitor, but the District doesn't see the justification. They talk a lot about models and projections though.

You, CARB, placed a mobile air monitor for one year, from 2006 to 2007, in Lebec. We do thank you for that. That monitor definitely showed the ozone for that time period was worse than downtown L.A. or parts of San Fernando Valley. But your agency said for PM2.5 we didn't have a problem because that gave -- what gave us high numbers were the wildfires in our region. Well, after teaching myself how to interpret and convert the data we got from the monitor into something understandable, I know there were at least two time periods during that year when the PM2.5 measured unhealthy and there weren't wildfires. But that was ignored.

I'm not a scientist, but I know that the high PM numbers associated with wildfires should be thrown out, not used to say we don't have a problem. One year is not enough time to give an accurate picture of what is really happening in our region.

This plan we're discussing today is too dependent
on your agency's upcoming diesel rule to cut PM2.5. There
again, that frustrates me because I'm familiar again
firsthand with the regulation your agency came up with at
the first of the year, the five-minute idling law, that I
know isn't being enforced. We have a major truck stop in
Lebec that has many, many diesel trucks idling every night
for hours, because there is no electric plug-ins at the
truck stop.

But you don't have the people to enforce the
idling law. And the CHP has flat out told me they're not
going to enforce it.

But I wonder if CARB is counting the reductions
from this new idling law. That's a good question for me.
Does it make everything look better on paper, is that what
it's all about? This PM2.5 plan does not have the
District controlling VOCs enough, and the District's staff
mutter something about not having to have reductions in
VOCs in this plan because they sort of regulate VOCs in
the ozone SIP. And even though ammonia contributes to --

CHAIRPERSON NICHOLS: Excuse me. I'm sorry. I
need to interrupt you. Because you can't see the monitor
that I can see. And your time is expired. So if you
could just please summarize the remainder of your
testimony, I'd appreciate it.

MS. MACKAY: Okay. I think the Air District is
hesitant to clean up -- clamp down on industry and the Big Ag to make sure that they are doing everything they can to reduce fine particulate matter, because industry and Big Ag are pressuring the District not to hurt them financially. Well, lung and heart disease and premature deaths hurt all of us financially. And of course in the bigger picture, bigger ways that are more tragic that can't be measured.

There's more that the Air District can do within this plan to protect me and my family and my community. Please require them to do it. Let's not shovel papers and pretend we're doing something. Let's actually do something.

Thank you.

CHAIRPERSON NICHOLS: Thank you very much.

BOARD MEMBER D'ADAMO: Madam Chair?

CHAIRPERSON NICHOLS: Yes.

BOARD MEMBER D'ADAMO: I would just like to thank the witness for the testimony. And also ask if staff could follow up on the enforcement issue regarding that truck stop.

CHAIRPERSON NICHOLS: Yes. We'd like to hear back on that particular issue as to what's going on.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: I'll give you just a real quick summary.
We are out enforcing at the truck stops now. Obviously we don't have resources to be at all of them. But we are entering into an agreement with the San Joaquin Valley District for them to help us expand and do more. And so I think Lebec will be on the list here pretty soon.

CHAIRPERSON NICHOLS: Yes, thank you for bringing that one to your attention. I really appreciate it. And we will also think about and talk about the other points you made as well.

Okay. Arthur Unger and then John Digges.

And, again, as soon as you begin speaking the three minute clock will start ticking.

MR. UNGER: Author Unger, Sierra Club. I have additional attainment measures. Firstly, the young lady who gave the first presentation, and you, the members of the Board, you come in here and you hear about density. You hear about solar. Usually I attend meetings of the Bakersfield City Council, the Kern County Board of Supervisors, and the Air District. But they don't seem to know those words, at least the people on the Board doesn't. The staff may. So as the lobbyists, I think you're the biggest additional attainment measure I can think of. Come and meet these people who okay developments with dark roofs on every house, with air conditioners on the roof, never a
trace of required photovoltaic panels.

The truck drivers are a big part of this problem. They bought more trucks late in 2006 than they usually did. And now they wonder why they -- you know, they cry that they need subsidies to replace their trucks to get their trucks to comply.

Push lawn mowers seem to go out of existence in Bakersfield. Lawns ought to go out of existence if you really want to save water and, thus, save pumping costs and save the emissions that come from our diesel pumps.

The Semi-Tropic Water District down in the southern Kern County has solar panels to run their pumps. But that doesn't seem to be growing.

We don't need to burn anymore, I think. We could put our cut down orchards in the trucks that are built after 12-31-06. And I think we would make less pollutants, and then hope staff can study this, less pollutants than if we burn in the fields.

And crop residues is another thing we burn. But with organic farming you leave those residues on the field or low tillage of farming where you incorporate those residues into the field rather than having to remove them and burn them. We wonder how much pollution we could save -- one last point -- how much pollution we could save if we made less tractor passes so that we wouldn't have to
pick up all the wastes from the fields.

Thank you.

CHAIRPERSON NICHOLS: Thank you, Mr. Unger.

John Digges.

MR. DIGGES: Good morning, Madam Chairperson and members of the Council. I'm John Digges. I'm a pediatrician and a member of the Advisory Council of the Kern County Chapter of the American Lung Association and currently the President of the Kern County Medical Society.

We paid a lot of attention to the costs of reaching attainment of clean air standards. But as a physician, I wonder about the costs of nonattainment, particularly in terms of health care.

There was a study done in 2006 by Jane Hawe and Associates, which you're certainly familiar with, which came up with an estimate of about $3.2 billion per year. And they were looking at exacerbations of pulmonary and cardiac conditions and circulatory conditions and premature deaths. So that's a lot of money.

But as a pediatrician, it concerns me that it may be even worse. What if some of the people whose cardiac and pulmonary conditions are adversely affected by pollution happen to be pregnant? What if that causes the circulation of oxygen to their developing fetuses and
their brains to be damaged? What if even in pregnant
women who are not having pulmonary or cardiac conditions
but are breathing either 2.5 or even ultrafine particles,
which can act as neurotoxins directly into the blood and
brain tissue, what if those neurotoxins are causing brain
tissue to become injured and to develop less than it
otherwise would have? We may be raising entire
generations of children whose brains will not be able to
perform as well as they might have had we recognized this
and acted sooner.

So my concern is that if it -- obviously more
research is needed. But if it turns out that particulate
matter is indeed a significant neurotoxin for a developing
brain, and not just for fetuses but also for developing
brain in infants and toddlers, then we may actually dwarf
the $3.2 billion cost in terms of the costs that society
would incur.

Thank you.

CHAIRPERSON NICHOLS: Thank you. Thanks for
taking the time to come and testify also.

I believe that concludes the witnesses in the
Bakersfield location. And if there are no others, we're
going to resume hearing from people who are here in
Fresno.

Then we'll move back here. And our next witness

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is Alvin Valeriano, followed by Nancy Ellis.

MR. VALERIANO: Thank you very much for this opportunity to participate in a democratic process that we're having right now.

I have only three minutes and I have a lot to cover, so please stay with me.

The first document is this. It lists the requirements of the federal Clean Air Act vis-a-vis the PM2.5 1997 standard. The ones that are underlined are those that we believe where this plan falls terribly short, terribly bad in terms of meeting these requirements.

In a nutshell, the way I've seen the plan made is that these requirements are being treated like suggestions. It's kind of like in the Philippines where some people consider a traffic light a suggestion --

(Laughter.)

MR. VALERIANO: -- you know, rather than a requirement to stop. But that's an issue that will be dealt with in a more detailed manner I think in another body.

Now, the second one is this. And Nichole Davis, my colleague -- I'm with ISSRC also -- presented this. As you can tell, there are three lines here. The top line, which is the straightest, is the base-line inventory.
That is, without doing this plan, that will happen.

The second line below that is what this plan will do. As you can see, up to 2014 the two lines are practically similar. This is being interpreted now by ARB staff following the example of the District as reasonable further progress.

The line below that, which has the big gap, is what the federal implementation rule says how RFP should be demonstrated. ARB staff does not dispute how this line should be constructed. But they are saying that they are interpreting progress in a different way than what the implementation rule requires. To me, this is a very strong evidence that there are very serious grounds as far as the approvability of this plan.

I have 59 seconds, so please put on the next slide.

Okay. The next question is: Do we actually attain the standard by December 5, 2015? My conclusion is no. Line 1, 2014 the carrying capacity is 291.2. That's what will take us to a little bit below the standard.

That number's 14.7 there. Look back in 2013, there's a big shortfall of 93 tons per day. In 2012 there's a big shortfall of 124 tons per day. Folks, 124 tons per day is twice what you will get out of the truck rule.

Are we supposed to believe that the three-year
average of '12, '13, and '14 will be 15 and below? The shortfalls are too huge to believe the assertion of the modelers.

Thank you very much. I made it on time.

CHAIRPERSON NICHOLS: Very good. Good work.

Thank you.

Nancy Ellis, followed by Roger Isom. And then we will have two more witnesses before we're done.

Nancy Ellis, are you here?

Then we'll hear from Roger Isom.

CHAIRPERSON NICHOLS: You didn't actually bring a statement with you --

MR. ISOM: Well, there's really not a card for what position we're in.  

(Laughter.)

MR. ISOM: For the record, my name is Roger Isom. I'm with the California Cotton Ginners and Growers Associations.

We support the plan to the sense that we don't support doing anything above and beyond the plan the way it's currently written. We don't like the plan. We understand why we have to go forward with the plan. And we have concerns with how it is. But we've had assurances from the District that they'll work with us on those concerns.
Our primary concern is with the inclusion of fugitive dust. Chairman Nichols, you recalled in 1997 when you were at EPA. And I recall a House Ag Committee hearing that I was called to testify at with Administrator Browner. And at that hearing the whole issue was on fugitive dust and PM2.5. And Administrator Browner made the comment that EPA was not going to regulate fugitive dust because with PM2.5 fugitive dust is not a concern.

I further that with the PM study that Dr. Velasco mentioned, the California Regional Particulate Matter Quality Study here in the valley that studied PM10 and PM2.5. And it was obvious from those results that PM2.5 was from combustion and secondary particulate, ammonium nitrate, ammonium sulfate. And in fact ARB made comments during the workshop process that the fugitive dust portion of this was about a microgram. So we're talking very little impact, yet a big portion of this plan includes fugitive dust.

The reason we're okay with it at this point is the District has committed to working with us to do research. Yesterday I actually met with the ARB research staff on a particular proposal we're looking at measuring PM2.5 from cotton gins. And so that's something we hope will further that information and to make a decision down the road.
I do want to take the time though to address a couple of issues that have been mentioned, and those are these additional measures. You've heard from some salesmen, you've heard some of the activists with regards to irrigation pump engines. And I think that Dr. Sperling made a comment earlier, with PM2.5 it really is seasonal. So we could do all we want with irrigation pump engines, but they operate during the summer. Our PM2.5 problem is during the winter. So what are we going to do to get that -- we're not going to do anything under this part.

That's not to say that we're not going to be doing it, because under the ozone plan and Rule 472 -- or 4702, we are replacing all of our engines. And, in fact, January 1st of '09 here in the valley all natural gas engines, propane engines, and gasoline-fired pump engines will have to be replaced or have controls put on them. In January 1st, 2010, all diesel pump engines will have to be replaced. So we are going down that road.

Above and beyond that, and not even counted in the emission reductions right now, is the ag ice program to convert diesel pump engines to electric. Over a thousand have already been installed under that program. There's over 2,000 applications that are still going through the process. So a lot has been done to move down that road.
There are physical constraints, substations that can't meet the load or demand. We're more than two miles from poles and lines. So there are some engines that can not be replaced. But we are doing that.

My last comment is with the truck rule that keeps being brought up. We met with ARB staff last week and found out that, you know, everybody wants to speed it up, do it earlier. They're put there because the engines won't be developed until 2010. We just found out that there are some manufacturers including Cummins that aren't even going to meet that mandate, they're not going to be available till 2012. So it's hard to move it up when we're not even going to be able to meet the deadlines that are put forth already.

So thank you.

CHAIRPERSON NICHOLS: Thank you.

BOARD MEMBER D'ADAMO: I have a comment and a question.

Just don't want it to be misconstrued on the issue of fugitive dust that agriculture did not participate in it in any way. It may be -- and I know this is really a PM10 control strategy with the conservation management plans. Could you just mention that for those that are on the Board that are familiar.

MR. ISOM: Sure, absolutely. The District did...
put forth a PM10 control strategy. It does conservation
management practices. I think the good news is on that
that we actually got more reductions than what the
District was hoping for. And despite what everybody is
seeing today or yesterday, those measures have been very
effective. And we continue to do research, in fact have a
current ongoing research project with the District and EPA
right now studying multiple practices and conservation
tillage on the west side. So we're still going on with
that.

CHAIRPERSON NICHOLS: Good. Thank you for adding
that.

Manuel Cunha, followed by Nidia Bautista. And
that concludes my list of witnesses.

Oh, one more card coming up. This is it though.

MR. CUNHA: Good morning, Madam Chair. Manuel
Cunha, President, Nisei Farmers League.

Yes, Dede, thank you very much for bringing up
the conservation management practices, because that was
just discussed here a second ago by another person from
Bakersfield about doing more. And we are doing a lot with
our conservation practices and even going beyond of what
is happening.

But first I want to acknowledge that, yes, I
support the plan, but I don't like it at all. Only
because, as you know, that agriculture in the San Joaquin Valley and across the state is losing its farmland to development. We know that. And we know what happened in 2000 to 2005 when we probably lost in a total number of close to 500,000 acres went out of production and went into houses and buildings and those type of things for people. So that's a great concern.

But I do want to acknowledge the most important thing that has to be brought forward with this is the incentives to help our business community, including even if it's the truck rule. But in agriculture, as we all know, you hear it continuously, we cannot pass the cost on. But we also cannot compete against foreign countries that don't have any standards or anything. And when we're trying to survive as an industry -- and I think we all in this room agree that we need to feed the country and we need to be self-supporting of our own food and not allow other countries to feed us as a country. Other countries rely on this country to feed others so they're not held hostage to food. So we must be very careful how we deal with our agriculture industry in this country.

But I do want to say that incentives are important. And I want to acknowledge Congressman Dennis Cardoza for his efforts working with the agriculture community, but definitely with the U.S.D.A. Air Quality...
Task Force that's appointed by the Congress to deal with air quality across the U.S. -- his efforts in working with those folks were able to secure this year in the farm bill, and we hope today the Senate will approve to overrun our President, who's made some boofoos in trying to veto it. He's not doing too good on that issue. So the Senate today will win that and we will override. But in that is 150 million for the first time that we have it that it's identified for air quality for farm machinery, agricultural practices, stationary engines and those things to help our farmers, as well as the incentives farmer do pay under the equip program. Farmers kick in 50 percent of the cost. So it's not a hundred percent of asking, just like Carl Moyer is not a hundred percent give. Our business community does contribute.

So agriculture is there to continually move forward in working with you as an ARB staff. I want to acknowledge real fast John DaMassa and Karen Magliano with your staff have done the greatest PM10 study in the world and ozone study.

And, by the way, I want to make a correction. This was always the contention. Twenty-seven million five hundred for the PM ended up being 32,200,000. And we approved those extra few millions because the staffs needed that information to make a complete report and the...
ozone study. So without that information we wouldn't even
be able today to make the recommendations that your staff
is making has been done on solid science versus a bunch of
hearsay.

And thank you very much. And I did make the time
limit. Thank you.

CHAIRPERSON NICHOLS: You did. You get an extra
star for that.

All right. We've had two more cards come up
since I said that we were about to close the record. But
this is it, folks. I'm giving you one more minute and
then no more cards are coming forward.

So we'll hear from Nidia, followed by Carolena
Simunovic and Evan Ship.

Thank you.

MS. BAUTISTA: Good morning, Madam Chair, members
of the Board. Nidia Bautista with the Coalition for Clean
Air.

I just want to highlight a couple of things that
some folks have shared, and just to reiterate some of the
conversations that we have had both with ARB staff and
District staff and some of the Board members ahead of this
hearing.

You know, we want to be clear that there are some
points of this plan that we are, you know, pleased with.
And rest assured, that where the District is pushing hard and ARB's pushing hard, we're going to be right there with you, including with the truck rule. So I just want to make sure that that's out there.

However, let's be clear. You know, we're all playing catch-up here, right? I mean based on the new study that came out with the new findings and the fact that there is a new federal PM2.5 measurement that's coming out soon, and then also the fact that, you know, even based on lower limits where a lot of people are impacted by this. So that's very clear. And I think that we all recognize that we are playing catch-up. And the sooner we all get on the same page and move forward, I think the better.

And clearly we feel that, you know, there is some progress being made there.

With that said, you know, our concerns with the plan again on the contingency measures, we strongly feel that it's going to help ARB and the District with existing control measures in its current plan if those contingency measures are outlines at the beginning of the plan, but they are specific, that they're clear, and that they're measurable. And this is also not just going to help -- it's going to help the agencies because the industry and the community is going to be very aware of what's at
stake, not just in terms of the health impacts but also in terms of what industries would then have to -- and what residents will have to do were we to fall short.

And it's really important that we mention that it's not just about the attainment, because our concern is that we're not waiting till 2014, 2015 to then realize that we've fallen short and then look back and think we should have done this and should have done that and try to scramble to come up with some rules to reduce -- to get to the emission reductions. But rather that we're doing those during the milestone days, the 2009-2012 dates.

And in terms of measures, our comment letter did speak specifically to some of those measures. And that included things like the IC engines. Again, and we recognize that some of this may not be easy. You know, we're really clear about that. But it's also not easy to look at the data from this morning and know that a lot of people are being impacted. So we're all going to have to do our share. And I think with the current plan, you know, residents are being asked to curtail some of the use of their chimneys and stuff to burn wood.

So we're all going to have to do something here, and it's not going to be easy.

So IC engines was definitely another control where we can get additional reduction. The boilers were
another area where we felt like there might be additional reduction. And the dryers were another area.

Now, last year with the ozone plans we talked about the ag equipment rule, in which we know that ARB's going to be looking at next year. And so there's possibly another opportunity to get some more reductions. And we just want to say that when we outline some of these measures, we also -- we're clear with ARB and with the District that we're open to other measures taking this place. Because ultimately what we want to get to is to cleaner air. And so the outcome really is about the reductions in a timely fashion, again making sure that they're clear, that they're specific, and that they're measurable commitments done at the beginning of the plan.

Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

Ms. Simunovic and Mr. Ship.

MS. SIMUNOVIC: Hello. My name is Carolena Simunovic with the Fresno Metro Ministry.

Thank you for that extra minute, because basically I just wanted to tell you thank you. Thank you for being here today, for coming to the Valley, holding your meeting here in Fresno, for engaging with groups in conversations before the meeting today in a little bit more detail, and for being here to vet and think about and
discuss the merits of this plan and hopefully ways that it can be improved.

I think you've heard probably enough testimony and have had the discussions that will help you through this. You probably also reviewed what took place at the Board meeting for the San Joaquin Valley Air Pollution Control District and have had a chance to speak to those who had comments or objections about the plan.

So thank you. Thank you for being here, as Daniela mentioned earlier.

I will be leaving to pursue my medical education to become an MD. My commitment is strong to the Valley. I'm hoping to do some research there in particulate matter and the effects on health so that I can come back and be an informed and active physician and participant in this role. Thank you.

I guess my last comment is that we have the opportunity today to make my job and your job easier in the years to come. So with keeping in mind those 3,000 plus people that are affected by particulate matter pollution and die early as a result of it here in the San Joaquin Valley, I urge you to work to strengthen this plan today in your deliberations.

Thank you very much.

CHAIRPERSON NICHOLS: Thank you.
Before you leave, if I may, are you going to medical school within the state or are you leaving California too?

MS. SIMUNOVIC: I'm leaving California. I'm going to the University of Washington.

CHAIRPERSON NICHOLS: Oh. Well, congratulations.

MS. SIMUNOVIC: They have a program there that is special for rural issues and even they have a particulate matter center or had I think there and interested in looking at that.

CHAIRPERSON NICHOLS: Well, you're one of the first people that I met when I came back to the Air Resources Board almost a year ago. So I kind of think of you as one of the milestones of my own time.

MS. SIMUNOVIC: Oh, well, thank you. Well, you won't be rid of me. And I'm hoping to watch all of your meetings on webcast. I'll be an air junkie.

CHAIRPERSON NICHOLS: You could be a little too busy studying.

That's all right. We appreciate all that you've contributed.

MS. SIMUNOVIC: Well, thank you very, very much.

Thank you.

CHAIRPERSON NICHOLS: Okay. Finally, Evan Ship.

MR. SHIP: Hello. I'm Evan Ship. I'm going to
try and make this very brief since I know we all want to
get to lunch. I've got about 30 years of experience
developing SIPs in the State of California for local
agencies.

I want to thank the ARB staff, the technical
staff, especially Karen Magliano, John Demossa, Vernon
Hughes, for their world-renowned expertise in developing
the technical aspects of this plan.

I've commented extensively on many of the
technical issues, written comments that I've now pushed to
the ARB list serve. There's still -- a lot of those have
been resolved by the staff report. So I'm very happy that
I've seen the documentation that is in there. There's
just still a few of those issues remaining.

One is that I'm very interested in getting
alternate look at the design value. And the design value
is the concentration of which you start with to do the
reduction for the plan. And there are different ways of
doing that. And I've looked at some of the data and it
looks like it would be good if we looked at some alternate
methods that EPA has assigned, for instance, looking at
five years worth of data. That's also in my comments.

Also, there are some missing data that affects
the base line that I'm interested in having addressed.
I've looked at data -- very recent data for 2007 and also
2005, 2006, and it looks to me like during meteorology that has a high potential for PM formation, but there's a lot of missing data. And if you look at the real-time data, you see it's there with high levels. But you don't see it there with this reference method data. And this reference method data is the data that the plan is based on.

I've taken an extensive look now at 2007 data, and that reference data is now available. And I think that should really be looked at in the plan. It wasn't available when the plan was recently put out.

And those are basically the issues that I would like addressed. Thank you.

CHAIRPERSON NICHOLS: Thank you.

It's my hope that we can turn to discussion and Board action and get that done before we take a break for lunch.

We are going to be holding a closed session over lunch. And I will have a statement formally to read when we adjourn for that. But the staff is getting that typed up now. We're going to have an opportunity to meet our new chief counsel, who's actually sitting here in the audience today for the first time. And we should probably identity her even before we go.

Ellen, would you stand up.
Ellen Peter, who's consented to come to the Air Resources Board from a nice job at the Department of Justice, where she's been defending us and representing us for a few years now. She comes from a community activist background as well. And we're going to be formally meeting her over lunch and having a briefing on some of our litigation matters.

So thank you very much for being here.

We're now I think going to close the public testimony portion of the record and move on to a discussion of the plan and what options we have for responding to the concerns that we've heard. And I think it's probably fair to say on behalf of all of us that we recognize that tremendous progress has occurred here and that the District has really stepped up in many ways. I saw that list of, you know, all of the history of time and the failures to do this, that, and the other thing. But at the same time, if you match that up against the actual progress in reducing emissions, cleaning up the air, doing the job of getting the rules adopted, et cetera, I think you have to say in fairness that the District has been doing a good job.

However, that doesn't mean that any of us can't do better. And we certainly are concerned, not only based on the new information about health, but just on the fact
that under any way you look at it this plan cuts it close.
We're not talking about a large cushion here of safety in
terms of being able to demonstrate attainment of the
standards, not to mention the need to go further. So I
think that's where we want to focus our discussion.

In case anybody thinks that we've been channeling
Dr. Telles in some of the questions, I do want to say
that, you know, we knew before we got here but certainly
after the meeting was scheduled that John Telles, who
represents the San Joaquin Valley Board on our Board, was
not going to be able to be here because of graduation of a
family member. He did send a note by e-mail, which a
number of us received. And I think it would be a good
thing to just read it into the record so it would be
officially part of the record. And this is it.

It says, "Dear fellow Air Board members:
Unfortunately I will not be at the Fresno meeting to
welcome you to my home town. I'm on the East Coast
attending a college graduation of a family member.
"You may know that I voted against the San
Joaquin Valley PM2.5 plan. I voted against this plan for
two reasons:
First of all, I thought the contingencies were
not adequate because for primary PM2.5 the contingency
amounted to only 1 percent of the total 2.5 and the NOx
was only 3 percent of the total NOx inventory. In my opinion, these contingencies are inadequate.

"Second of all, I'm concerned about the modeling used in the plan. The plan is based on data from existing PM2.5 monitors. In the whole San Joaquin Valley there are less than twelve of these monitors. It seems to me that this is not an adequate sampling to assure that if we do reach attainment that all residents of the valley will actually be breathing healthy air.

"I regret that I am unable to join you for the meeting. I look forward to seeing you all in June."

Now, obviously Dr. Telles was one of the three members who did not vote for the plan. The majority of the Board did vote for the plan, which is why we're here today. And I don't think there's any -- I don't think there's any sentiment not to approve the plan as the basis for moving forward because it's a step ahead of where we are now. I mean to just not do anything would be to in effect to take a step backward. But I think we certainly can talk about what we could do in terms of strengthening.

And I'm going to turn to you first.

BOARD MEMBER LOVERIDGE: This is a process question.

CHAIRPERSON NICHOLS: Yes.

BOARD MEMBER LOVERIDGE: The decision choices
before us today are -- and I apologize, I wasn't here at
the beginning -- one is to approve the plan as submitted;
second, to approve with the following changes; or, three,
to send it back to the District and say, "We want you to
meet certain additional standards and requirements." Are
those the three choices that we have?

CHAIRPERSON NICHOLS: Technically, I think the
official action would only be to approve or disapprove,
because we haven't noticed any specific changes to the
plan. And there's a process that we would have to go
through as the Air Board, which was put in place by law to
protect districts from the arbitrary ARB coming in and
meddling with their plans.

BOARD MEMBER LOVERIDGE: So we have a choice
either to approve or not approve today?

CHAIRPERSON NICHOLS: Right. But what we could
do, which is perhaps essentially the middle ground, would
be to approve but in our resolution direct certain
measures to be taken; basically put everybody on notice
that if they don't take place by a time certain, the ARB
would step in and take it. So we start the clock, so to
speak, on an ARB official action. But because back in the
old days when the ARB used to run roughshod over local
districts, back when I was on the Board before, we used to
take over district powers and adopt rules for them that

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were stronger than the rules that they had adopted themselves. And districts didn't take kindly to that. And so they got the law amended, so that the ARB has to go through a formal process to actually take over the power of the district and adopt a stronger rule. We couldn't do that today because we haven't gone through the proper process. And, you know, frankly, I'm not saying that's how we would want to proceed. We'd rather obviously have the District take action themselves. So if I have explained that accurately -- I got a nod from our lawyers over there -- is there anything else you want to add in terms of how we would proceed here, what the options are?

Okay. So the process, basically the choices are -- we always act through a resolution. We'd have to actually look at the resolution. And if we wanted to add language to it specifically saying, "District, we want you to do X," then that's how we would do it, would be through our Board resolution.

So I think Supervisor Hill asked the question earlier, and probably others did too, "Okay, what are measures that we could say to the District 'We want you to put these in the plan and we want to see that as soon as possible'?"

DEPUTY EXECUTIVE OFFICER TERRY: Well, we have
two slides that we would show. And I'm going to have Karen explain them to you.

CHAIRPERSON NICHOLS: Okay. Thank you.

AIR QUALITY DATA BRANCH CHIEF MAGLIANO: This hopefully will help frame the Board's discussion on what potential actions you could take.

On the first slide that we have here shows the trend in our base line emission inventory going out through 2020. And as you can see and as we've mentioned before, there's a significant downward decreasing emissions as we go through 2020 just from the aggressive actions that the Board has already taken. So certainly those already adopted measures serve as contingencies to the extent that they're not included in our RFP calculations. And it's also important to note that we have shown this line going out through 2020. So even beyond the 2014, 15 attainment deadline of the Valley there will continue to be significant additional emission reductions that would serve as additional contingencies into those ongoing years.

And then the next slide walks through some of the potential measures that we have looked at.

And I apologize. I'm trying to read this with my glasses.

DEPUTY EXECUTIVE OFFICER TERRY: Yeah, I can see
them. I can't see them close up.

CHAIRPERSON NICHOLS: Can the audience see this
from...

DEPUTY EXECUTIVE OFFICER TERRY: What we've done
is -- and this was also in the staff report as well. In
the staff report there's two bins essentially, all of the
measures the District will be adopting that are included
in the attainment demonstration. Then there's an
additional group of measures that are not in the
attainment demonstration and therefore could serve as
contingencies. So based on the Board's discussion, we put
this slide together to identity some opportunities for
additional contingencies.

So there are essentially three boiler rules in
the District plan. Two of them are in the attainment
demonstration but one is not. And they have scheduled
adoption of that additional measure by the end of this
year. So that could serve as a contingency measure to be
submitted as a rule, a federally enforceable rule once
approved by EPA that could strengthen the SIP.

The second one is an IC engine rule. Again, this
rule is not in the attainment demonstration. It could be
submitted. Once adopted it would meet the full legal
definition of a contingency measure. And that is
scheduled for adoption by the end of 2010.
Gas furnaces. This is actually in the attainment demonstration. But it's on here because there has been a lot of concern about that rule. And it is in the rulemaking process, just so the Board knows. And the tons that are being discussed in the rulemaking process are even greater than were estimated. So we think that one is on track for adoption.

The other one that we've heard comment on are dryers. And the District does have a rule in place for large dryers. But they have committed in their plan to go out and look and see how many small dryers might be in operation in the Valley that are not subject to the existing rule. And if they're significant, then to look at the potential for control.

CHAIRPERSON NICHOLS: You don't mean dryers like laundry --

DEPUTY EXECUTIVE OFFICER TERRY: Oh, I'm sorry. I should say -- not your clothes dryer.

CHAIRPERSON NICHOLS: Or hair dryer.

DEPUTY EXECUTIVE OFFICER TERRY: Or hair dryer.

CHAIRPERSON NICHOLS: No, no, no. We're talking about something else.

DEPUTY EXECUTIVE OFFICER TERRY: We're talking about food processing and those kinds of dehydrator dryers.
Sorry. We get stuck in the jargon.

The next category is biomass boilers. And this was also brought up by ISSRC as potential. And so we checked with our technical staff. And Chris Gallenstein is our expert here on all of these stationary source measures.

The comments we received were suggesting SCR retrofits. We've done the research. They have not yet been demonstrated. But the good news is there is a pilot study underway. So this is something that our technical staff will be watching closely. And so that could be something folded in down the road.

And then, lastly -- and this is very significant -- is adding a potential contingency provision in the existing wood burning rule commitment. In the attainment demonstration the District has taken credit for a small additional benefit from an enhanced wood burning rule. But if you recall the slide that talks about the much higher levels in the winter season, the four months between November and February, when you look at the monitoring, the relative amount of wood smoke in the air compared to ammonium nitrate, which is NOx driven, is very significant. And so ratcheting down that wood smoke rule would actually very significantly affect the annual average.

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And so we are recommending that a very strong contingency measure would be to have a much tighter trigger on curtailing the number of days. And so, for example, if -- currently those days are triggered at a level of 65 micrograms in the atmosphere. If it were ratcheted down to 20 micrograms, that would basically double the number of curtailment days. And that could potentially reduce the atmospheric levels by a microgram, which is very significant.

So those are potential considerations for the Board.

CHAIRPERSON NICHOLS: I have a concern about this wood burning rule, twofold I guess. One is this issue about intermittent versus permanent type controls. I don't know how the rule works, if it's just a ban on using your fireplace. I guess it's the equivalent for an individual person of an intermittent ban, say, the kind of measure that I think some of the community groups proposed for banning people from doing agricultural operations on certain days. And although we do ban burning on days when the atmosphere doesn't call for it, I don't think this Board has shown any inclination to going in the direction of banning either farming or construction work because those are basically economically vital activities that are hard to readjust or they're scheduled for on an interim
1 kind of basis. It just seems like the disruption factor
2 is very high. It may be that at some point we have to
3 look at those things. But we've tried to look at things
4 that are more permanent, technological, enforceable, et
5 cetera, because we think there's more reductions to be
6 gained.
7 So my question about the fireplace rule is --
8 although for most people using their fireplace is a luxury
9 and nothing you do just because, you know, it's a pleasant
10 evening at home or you have guests over, there are people
11 who burn wood for heating purposes, and they do it in the
12 wintertime, not in the summertime. So what are we doing
13 about that situation? Is there a solution for -- I mean
14 is there a low smoke furnace that those people can get?
15 DEPUTY EXECUTIVE OFFICER TERRY: Well, actually
16 the existing programs do take into account and provide
17 exemptions for people who rely on it for heating. So
18 we're really talking about recreational fireplace use.
19 AIR QUALITY DATA BRANCH CHIEF MAGLIANO: As with
20 Sacramento just adopted a program to have a mandatory
21 curtailment of wood burning.
22 BOARD MEMBER BALMES: And I will say, because I
23 participated in a study in Fresno that ARB initially
24 funded, and now it's NIH, that the Fresno Children's
25 Environment study phases, I do note what Ms. Terry said to
be correct, that the PM2.5 levels in the winter months
there's a big component from residential wood burning. So
it's --

CHAIRPERSON NICHOLS: It's important. Well, I
mean I don't use my fireplace much any more because I find
the smoke in the house is enough.

(Laughter.)

BOARD MEMBER HILL: I didn't think you were home
enough.

CHAIRPERSON NICHOLS: Well, there's that too on
those rare occasions.

BOARD MEMBER BALMES: My wife has asthma and she
won't let us use the fireplace.

BOARD MEMBER HILL: I would love to move the
resolution.

MR. VALERIANO: Excuse me. I know the public
process is over. But can we challenge what they just
said? Because it's so horribly wrong.

CHAIRPERSON NICHOLS: What?

MR. VALERIANO: The interpretation of what
contingency measures are. As far as the federal law is
concerned, these are measures -- you go through RACM
first. You determine which ones are reasonable and which
ones are not. The ones that are reasonable should be part
of the plan. Those that are not should be contingency
measures. We are contending that our additional reductions are so reasonable. Why? The South Coast is doing it already or will do it. Why are we now putting these reasonable measures as contingency measures?

There's a big legal argument to be made here.

CHAIRPERSON NICHOLS: I understand you're making a legal argument. And I guess it's incumbent on us, we just have to take -- in effect, we take action, that we say that we are supporting the view that what's in the plan is reasonable but that we want to see additional measures for contingency purposes. That doesn't mean they're not going to be done. Because, as we understand it, if they're adopted rules, they will in fact be adopted and they will be enforcing them. So this is a kind of a distinction without a difference as far as I'm concerned. But we'll let your comment stand.

I think we interrupted -- Supervisor Hill was about to make a motion.

BOARD MEMBER HILL: Well, I was planning to make a motion to adopt the resolution, including the contingency measures that were outlined in the presentation as contingencies that we can go forward with that are not in the already adopted plan.

CHIEF COUNSEL JENNE: I wanted to make this a procedural move about how the Board could do this. And I
was told I have to stand up here because the microphone
doesn't work back there.

So, Lynn, have we given the resolution to the
Board members yet? Do they have it?

DEPUTY EXECUTIVE OFFICER TERRY: Yes.

CHAIRPERSON NICHOLS: We were given a draft this
morning.

CHIEF COUNSEL JENNE: The resolution you have in
front of you simply adopts the plan as is with no
additional changes to the plan. And we would propose to
have it -- if the Board wishes to do the suggestions that
Lynn just provided, we have an attachment to the
resolution that we prepared that you could take a look at,
and we'd also distribute it to the members of the public.
And it would essentially -- it has language indicating
what additional measures you would direct the District to
do. And as part of that, the resolution you have in front
of you would have a couple of additional provisions in it
which we could then do after the Board meeting.

One provision would simply say the Board directs
the District to do the actions described in Attachment A,
which you're getting right now.

And the second provision would clarify that while
the contingency measures in the 2008 plan in front of you,
we believe they're adequate to meet the legal requirements
of the Clean Air Act and the rule, but that it's
appropriate to include in the California SIP these
additional District rules that Lynn identified that will
further strengthen the SIP and will serve as additional
contingency provisions for PM2.5 attainment.

Now, as a legal matter these would not meet the
definition of contingency measures in the Clean Air Act
because those measures have to be already adopted, and
these rules are not adopted yet. But once they are
adopted, as a practical matter they would serve as
additional contingencies to make sure there are emission
reductions --

CHAIRPERSON NICHOLS: So the difference there is
that -- let me just see if I can explain this. That the
District is going to do its thing, but they wouldn't
necessarily submit these things to us on a fixed time
frame, and we wouldn't necessarily be submitting them to
EPA and putting them into this enforceable SIP. So the
difference here is that we're taking a strengthening
action by putting these things actually into the SIP.
That's the key element here.

BOARD MEMBER D'ADAMO: I have a question and
maybe a suggestion.

CHAIRPERSON NICHOLS: Okay.

BOARD MEMBER D'ADAMO: I think one way to go just
a slight step further would be to have a report back to
the Board on the progress, since these measures wouldn't
necessarily come before us.

CHAIRPERSON NICHOLS: I think that's a good
addition to the resolution.

CHIEF COUNSEL JENNE: What Attachment A does say
before you is that you're directing the District to adopt
these additional rules. And then after they've adopted
them, they would submit them to us for transmittal to U.S.
EPA, and the rules themselves would be part of the SIP.

But we wouldn't be amending the plan that's in front of
you today because, as Chairman Nichols pointed out, that's
not something we notice. So you'd be approving the plan
as is and then directing the districts to take these
additional actions that would further strengthen the SIP;
and once they've done that, to submit the rules to us for
transmittal to U.S. EPA.

BOARD MEMBER D'ADAMO: I'm just assuming though,
you know, there might be an interim step, maybe if
staff --

DEPUTY EXECUTIVE OFFICER TERRY: We'd be happy to
come back to the Board and report generally on SIP
progress in the Valley at the Board's pleasure.

CHAIRPERSON NICHOLS: Well, I think we should.

BOARD MEMBER D'ADAMO: I do so too.
CHAIRPERSON NICHOLS: And it sounds like December -- I know December's a big month for us because of the scoping plan. But it seems to me we could at least get a progress report.

Mayor Loveridge.

BOARD MEMBER LOVERIDGE: Would it be inappropriate to ask or as a matter courtesy for District comment on this --

CHAIRPERSON NICHOLS: You anticipated what I was just about to do. That's a good thing.

Yes, please. We should ask the executive officer to speak here.

MR. SADREDIN: Thank you for this opportunity.

I think the recommendation that is before you makes perfect sense. Most of what we're talking about here is the semantics in terms of what is contingency, what is creditable towards contingency.

Just one thing for you to consider. Not that I'm suggesting any changes. I think what you're about to act on makes perfect sense. And the whole contingency concept of what's put in place for areas that don't need as much reduction such as we do and also South Coast does, as you know we just adopted plans -- the ozone plans that we adopted which have the same NOx measures and are both in South Coast and in San Joaquin Valley. And we found that
even if money were no object, we've already thrown in the
kitchen sink, but technology does not yet exist. So it is
difficult in areas such as ours and South Coast when
you've done everything that you can think of to say, well,
there is this reserve list that we could, you know, rely
on if we need them. We need everything. And most of
these measures were things that the District was planning
on doing anyway, and now with this commitment it makes it
enforceable that we have to do.

CHAIRPERSON NICHOLS: Thank you. I appreciate
that very much. And I think it's a good response to --
you know, it really is impressive that we've seen the
level of involvement here on the part of community
organizations even in South Coast where I'm from. I don't
think we'd have as many people who would be taking the
time, you know, to come here and who've participated
throughout. And, frankly, the level of technical
sophistication that they bring and the level of comments
that they've made have been very high. And I think
they've had an influence on all of us and all of our
thinking. So it's a good thing that we've expanded the
universe of people who are really actively working on and
focusing on clean air here in the Valley. I think it's
going to make a big difference in the future.

And I've seen time and time again that every time
we think we've done everything that was possible, we
discover that there are new ideas and new technologies out
there. And I hope that that's going to continue to be the
case here as well.

So are you satisfied with that as a resolution?

BOARD MEMBER HILL: My question, I guess -- on
the attachment I noticed that you have the wood smoke --
the residential wood smoke rule on the bottom. The other
items that were listed there, are they listed here, that
were on the contingency?

DEPUTY EXECUTIVE OFFICER TERRY: Yes, I know
it's -- we use the terminology of their measures, S-CON2
and S-CON.

BOARD MEMBER HILL: The rule commitments that you
have there?

Okay. That's covering all of the items, the
dryer, et cetera, et cetera?

DEPUTY EXECUTIVE OFFICER TERRY: Right. Now,
those are study measures. So --

BOARD MEMBER HILL: The dryers are study
measures?

DEPUTY EXECUTIVE OFFICER TERRY: The dryers.

BOARD MEMBER HILL: Right. But they will study
them, that's part of this --

EXECUTIVE OFFICER GOLDSTENE: And the biomass --
AIR QUALITY DATA BRANCH CHIEF MAGLIANO: And the biomass boilers are also a feasibility study measure.

BOARD MEMBER HILL: All right. Very good.

Yes, that would be the rest of the motion.

CHAIRPERSON NICHOLS: All right. That's the motion.

Do we have a second?

BOARD MEMBER D'ADAMO: Second.

CHAIRPERSON NICHOLS: A second from Ms. D'Adamo.

All right. I guess we need to do a roll call vote here as well.

SECRETARY ANDREONI: Dr. Balmes?

BOARD MEMBER BALMES: Aye.

SECRETARY ANDREONI: Ms. Berg?

BOARD MEMBER BERG: Aye.

SECRETARY ANDREONI: Ms. D'Adamo?

BOARD MEMBER D'ADAMO: Aye.

SECRETARY ANDREONI: Supervisor Hill?

BOARD MEMBER HILL: Aye.

SECRETARY ANDREONI: Mayor Loveridge?

BOARD MEMBER LOVERIDGE: Aye.

SECRETARY ANDREONI: Professor Sperling?

BOARD MEMBER SPERLING: Aye.

SECRETARY ANDREONI: Chairman Nichols?

CHAIRPERSON NICHOLS: Aye.
SECRETARY ANDREONI: Ayes pass. Motion passes seven to zero.

CHAIRPERSON NICHOLS: Unanimously. It was unanimous.

All right. Thank you everybody very much.

We are going to take a break at this time. And we're going to go into closed session to discuss items that were listed on the Board agenda. And at the conclusion of the closed session we'll reconvene back here in open session. And we'll reconvene at 1:30.

(Thereupon a lunch recess was taken.)

CHAIRPERSON NICHOLS: We do have a quorum. One of our Board members is in the back room, but she can listen back there. Two of them.

And I think we should get started, because we have people who are hoping to catch earlier flights to various places they have to go to around the state.

So I just need to reconvene us and to report that the Board met in closed session to discuss the litigation that was listed on today's agenda. No action was taken by the Board.

So we will now turn the program back over to the Executive Officer.

EXECUTIVE OFFICER GOLDSTENE: Thank you, Chairman Nichols.
When Governor Schwarzenegger signed the current state budget, he charged ARB with expediting allocation of the first $250 million in funds while ensuring accountability for those funds.

Staff and local agencies have moved quickly to submit and evaluate project proposals consistent with the program guidelines.

Staff's recommendations on which projects should be funded and at what levels are consistent with the program guidelines and funding priorities adopted by the Board.

Consistent with those priorities you'll see an emphasis on truck retrofits and replacements that can be quickly implemented to reduce health risks in heavily impacted communities in each trade corridor. You will also see a proposal for a locomotive project with multi-corridor benefits.

I'd like to introduce Ajay Mangat of the Planning and Technical Support Division to begin the staff presentation.

CHAIRPERSON NICHOLS: Thank you.

(Thereupon an overhead presentation was presented as follows.)

MR. MANGAT: Thank you, Mr. Goldstene.

Good afternoon, Chairman Nichols, members of the
In February, the Board adopted the Proposition 1B Program Guidelines and addressed the difficult decision of setting funding targets for each trade corridor. Local air districts and seaports in each corridor have requested funding for incentive projects to reduce emissions from freight operations. Today, staff is recommending that the Board approve a list of local agency projects for this round of funding.

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MR. MANGAT: After a brief review of the program, I'll summarize the application process, describe our staff proposal for funding local agency projects, and conclude with staff's recommendation for Board action.

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MR. MANGAT: Voter approval of Proposition 1B in 2006 authorized the sale of $1 billion in bonds to help clean up diesel engines used in goods movement. The current budget included implementing legislation and the first installment of $250 million to ARB.

The adopted guidelines established the rules for the program, including how eligible local agencies apply for funding and the process ARB staff must use to evaluate and recommend projects for your consideration. Once the Board approves grants to the local agencies, those
agencies offer incentives directly to the equipment owners
to achieve early or extra emission reductions.

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MR. MANGAT: The four priority trade corridors
are the Los Angeles-Inland Empire, Central Valley, Bay
Area, and San Diego-Border region. The program is
designed to have local agencies in each corridor
administer incentives to reduce emissions both within
their own corridor and across the state's freight
transportation network.

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MR. MANGAT: This slide lists the types of diesel
sources eligible for the program. The guidelines group
the sources into funding categories and detail the
equipment upgrades, like replacements or retrofits, that
are eligible for funding in this cycle.

Each piece of equipment to be upgraded must
compete for funding against others that are in the same
category and in the same trade corridor. Likewise, if two
or more local agencies submit proposals in the same
category and corridor, they must also compete for funding.

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MR. MANGAT: This slide shows how ARB is spending
the $250 million appropriation in the fiscal year
2007-2008 budget. In February, the Board awarded $25
million to local air districts for early grant projects that could largely be completed over this summer. ARB will use less than $3.4 million for program staffing and support in this fiscal year. This figure equals 1.4 percent of the total funds, which is well below the 5 percent authorized by statute. Subtracting the early grants and ARB administrative expenses, the Board has over $221 million to award to local agencies in this round of funding.

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MR. MANGAT: In February, the Board adopted the funding priorities shown here to guide the development and selection of projects. These priorities respond to the statutory direction to achieve the earliest possible health risk reduction in communities heavily impacted by goods movement. The focus on trucks for this round also considers the timing needs under ARB's adopted drayage truck rule and the upcoming statewide truck regulation. In March, we announced the availability of $221 million in bond funding and gave local agencies just over three weeks to submit their applications.

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MR. MANGAT: By the April 4th deadline, six local air districts and three seaports had submitted proposals for 19 projects. The requests for bond funding totaled
over $700 million. Some agencies requested funding equal
to or greater than all of the money available in this
funding cycle.

MR. MANGAT: ARB staff evaluated the applications
against each of the requirements in the guidelines.
We also worked with all of the local agencies on
any needed clarifications. We particularly appreciate the
quick turnaround by every agency in response to our
requests for information or updates. The complete
applications, including any subsequent clarifications, are
posted on the program website.

The final applications demonstrate the ability of
each local agency to administer projects that can meet the
program objectives.

Since the guidelines require a competitive
process where multiple agencies in the same corridor
submitted proposals within the same funding category, we
ranked and scored any competing proposals. We then used
the results of the competitive process, together with the
Board's funding targets and priorities, to develop
preliminary funding recommendations.
earlier this month.

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MR. MANGAT: Our proposal today relies on the Board's funding priorities to ensure that Proposition 1B dollars go to the projects that can quickly reduce diesel pollution and associated health risks in the communities near ports, rail yards, inland distribution centers, and roads with high truck traffic. These projects would benefit Californians of all ages who live and work in trade corridors and beyond.

In this section of the presentation, I'm going to summarize the projects recommended for funding as a whole, and then describe the staff proposal for each corridor more specifically.

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MR. MANGAT: Local agencies in each corridor submitted credible proposals that exceeded the corridor's target funding level. Each of the applicants also demonstrated the capability to implement the program at some funding level. As a result, we believe that the starting point should be to divide the $221 million among the four trade corridors according to the Board's overall funding targets for each region, shown here as a target percentage.

The primary focus of the staff proposal then
becomes which projects in the corridor should be funded
and at what levels.

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MR. MANGAT: Staff recommends that the Board fund
15 projects to upgrade or replace over 8200 pieces of
diesel equipment. Each of the nine local agencies that
submitted applications would receive funding for one or
more of their proposals.

Drayage trucks serving ports and intermodal rail
yards top the proposed funding list at over $109 million,
largely focused on replacing trucks at the ports of Los
Angeles and Long Beach.

The next largest share of funding, $89 million,
would go to upgrade other trucks throughout all four
corridors, and potentially support electrification of
truck stops and distribution centers in the Los Angeles-
Inland Empire region. The priority within this category
is for filter retrofit projects to immediately reduce the
diesel PM health risk from existing trucks.

We've heard widespread support for targeting
nearly $200 million to cleaner trucks in this funding
cycle. This represents both an opportunity and a
challenge to upgrade more trucks more quickly than ever
before.

A much smaller number of locomotive, shore power,
and harbor craft projects would also be funded in this cycle in response to local priorities.

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MR. MANGAT: Over their life, the proposed projects would reduce nearly 27,000 tons of NOx that contributes to high level of fine particles and ozone, especially here in the valley and in the South Coast. The projects would also reduce over 1800 tons of diesel PM to cut the health risk in communities near freight facilities.

You'll notice differences in the reductions by corridor that are due to both the total bond dollars invested and the mix of projects in each corridor.

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MR. MANGAT: The recommended projects are responsive to the Board's established priorities and would quickly cut the diesel PM health risk in every corridor. 94 percent of the funding would go to trucks that may travel in multiple corridors and to locomotives that operate across northern California.

The proposed mix of projects would leverage over $340 million in non-state funding. Of these match funds, the seaports and air districts have committed to provide $154 million, with equipment owners responsible for the remaining dollars. That's more than 1.5 match dollars for
every state dollar invested.

MR. MANGAT: The guidelines allow both ARB and local agencies to establish a backup list of projects that could be funded if any of the primary projects cannot be accomplished or additional funding becomes available.

As a part of the resolution on this item, the Board would approve a backup list for this round based on any unfunded elements of the $732 million worth of projects submitted by local agencies.

In the unlikely event that a local agency declines to execute a grant agreement for any of the primary projects approved by the Board today, we are proposing that the Board delegate to the Executive Officer the authority to shift any unused funding to other projects. This shift would ensure that all available dollars can be used for cleaner equipment. The Executive Officer would follow the prioritization approach shown here to determine which backup projects to fund.

The resolution would also provide the Executive Officer with the flexibility to respond if a local air district requested that ARB roll some of the early grant funding into the awards being approved today. All of the air districts are gearing up to implement the early grants, but there is a possibility that an air district

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may run into unexpected obstacles that could delay project completion beyond the deadlines for the early grants.

This approach would maintain the same amount of funding for each corridor and source category, but provide an option to administer the funds under the standard grant timeline rather than the accelerated schedule for early grants.

We're now going to take a more specific look at the breakdown of projects proposed for funding in each trade corridor.

MR. MANGAT: With the largest ports in the U.S., the Los Angeles-Inland Empire Trade Corridor is the hub for imports and exports. Most of this cargo must be transported by trucks within the corridor and to adjacent corridors.

There is a widespread support for cleaning up the diesel drayage trucks that travel between the ports, intermodal rail yards, and inland distribution centers.

ARB staff is proposing that $100 million from this cycle of Prop 1B funding be directed to accelerate the replacement or retrofit of over 2400 drayage trucks in advance of ARB's rule.
categories that local agencies requested bond funding for in this corridor, followed by staff's funding proposal in the yellow column, and the administering local agency.

We received local agency applications from the South Coast Air Quality Management District for all project categories, plus a joint application from the Port of Los Angeles and the Port of Long Beach to administer an incentive program for trucks serving both ports.

Staff evaluated and scored the applications to administer incentives for drayage trucks. We propose partial funding for each, with the ports administering the port truck incentives and the District doing the same for trucks serving just the rail yards. We believe the ports' proposal offers the best opportunity to clean up this truck fleet because they are committing to $144 million in port match funding. Together, the bond plus port subsidies can cover 80 to 90 percent of the cost of a brand new truck, with the ports targeting a replacement fleet of half diesel and half liquefied natural gas trucks.

The ports' match comes from a mix of existing operating funds and monies to be raised from new truck tariffs. The ports have back-stopped their proposal with additional port operating funds to ensure that the truck cleanup can proceed quickly, regardless of the ports'
ability to implement tariffs in a timely manner due to threatened litigation.

We recommend that the Board identity the South Coast's proposal as a backup project that could be activated if the ports were otherwise constrained from implementing the project. We also propose that the South Coast District receive $2.6 million as the primary administrator of a project to retrofit trucks serving the intermodal rail yards throughout the corridor.

For the remaining $21 million in this corridor, staff consulted with the South Coast District and reached agreement on the priorities for funding. We propose that the Board award $18 million to clean up other trucks and potentially fund projects to electrify truck stops and distribution centers if those projects are more competitive than truck replacement projects. The last $3 million would replace old switch locomotives with new low-emission models to cut diesel PM exposure in communities near rail yards.

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MR. MANGAT: Let's turn to the project proposals from the Central Valley Trade Corridor that includes both the San Joaquin Valley and the Sacramento Region.

As you've heard today, the trucks and locomotives that travel within and through the Central Valley are
1 major contributors to the Valley's air pollution problems.

2 Targeting bond funding to replace these diesel sources

3 will provide new NOx reductions to help the San Joaquin

4 Valley meet its PM2.5 attainment deadline and accelerate

5 ozone attainment. Truck retrofits focus on reducing the

6 diesel PM health risk for Valley residents living near

7 freeways and distribution centers.

8 --o0o--

9 MR. MANGAT: The San Joaquin Valley Air Pollution

10 Control District submitted an application for truck

11 projects, while the Sacramento Metropolitan Air Quality

12 Management District submitted applications for truck and

13 locomotive projects.

14 The locomotive project would upgrade line-haul

15 locomotives that travel in the Central Valley between

16 Sacramento and Fresno, with additional travel into the Bay

17 Area and back. We are recommending full funding of $10.3

18 million for this project to achieve reductions throughout

19 the Valley and into the upwind Bay Area. Locomotive

20 replacement offers the opportunity to secure

21 cost-effective NOx reductions that are not required by

22 regulation. The Sacramento District would administer this

23 project in consultation with the San Joaquin District.

24 Both the San Joaquin District and the Sacramento

25 District have demonstrated their ability to run successful
truck programs. We recommend partial funding for both proposals to cover this large geographic area. The San Joaquin District would administer 90 percent of the funding, or over $40 million, and the Sacramento District would administer over $4.4 million.

We are recommending full funding for truck retrofit elements and partial funding for truck replacements. Both agencies would solicit applications from trucks operating in the Central Valley and use the same competitive ranking process to award funds to truck owners.

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MR. MANGAT: As the Board heard last month, the West Oakland community is severely impacted by diesel PM from freight operations at the Port of Oakland, two major rail yards, and four surrounding freeways. The projects proposed for funding would reduce this health risk in West Oakland and other Bay Area communities.

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MR. MANGAT: The Bay Area Air Quality Management District was the only agency to apply for funding in this corridor.

We are recommending the bulk of the funding, over $17 million, for other trucks operating throughout the Bay Area. These trucks were also the greatest contributor to
the health risk in the West Oakland study.

Staff recommends full funding for the District's proposals to clean up drayage trucks serving Bay Area ports and intermodal rail yards, plus locomotives and harbor craft.

The District will be providing $5.9 million in match funding for the drayage truck project. The District's application identified another $5 million in potential subsidies from the Port of Oakland. These additional match funds would come from possible new tariffs or container fees. The Oakland Board of Port Commissioners has directed staff to evaluate various mechanisms to raise funds to match state air quality and infrastructure monies. However, the Port has not yet made a commitment to quickly adopt fee requirements or to provide this $5 million.

Truckers serving this port will need both Prop 1B monies and additional port subsidies to fund the upgrade to cleaner technology. Substantial new port fees are absolutely critical for success. ARB staff is working with the Port and the District to support the Port's development and adoption of this missing element.

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MR. MANGAT: Goods movement in the San Diego-Border corridor includes maritime operations at the...
Port of San Diego and 3500 truck crossings per day through
the land ports of entry at Otay Mesa and Calexico. In
addition to serving the residents of San Diego and
Imperial County, trucks transport agricultural and mineral
exports from this region through the Port of San Diego or
the ports of Los Angeles and Long Beach.

MR. MANGAT: Three agencies applied for funding
in this region. The San Diego Air Pollution Control
District requested funding for port trucks and other
tucks. The Imperial County Air Pollution Control
District proposed other truck projects. And the Port of
San Diego requested funding for infrastructure to provide
shore-based electrical power at one cargo ship berth.

In this corridor, we recommend full funding of
the $2.3 million for trucks serving ports and rail yards
to be administered by the San Diego District with
cofunding from the Port of San Diego. These older trucks
have a significant impact on the environmental justice
areas near the Port.

Next, we propose $2.5 million for shore-based
electrical power at the Port. This is the most
cost-effective proposal in the corridor.

The San Diego District has the top scoring
proposal for other trucks, so at least a portion of the
funding must go to this project. Of the $8 million proposal for other trucks, we recommend that the San Diego District administer two-thirds of the funds, with the Imperial District administering the remaining one-third. In each agency's program, we are recommending full funding for the retrofit elements and partial funding for truck replacements. Both agencies would solicit applications from trucks operating in the San Diego-Border corridor and use the same competitive ranking process to award funds to truck owners.

That wraps up the description of the specific projects in the four trade corridors.

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MR. MANGAT: This slide shows the next steps in the program through this year. ARB staff and local agencies will be implementing the projects approved for funding today. This fall, we'll be back before you with proposed updates to the program guidelines for the next funding cycle, based on the Governor's proposal to provide the next installment of $250 million to ARB in the fiscal year 2008-2009 budget.

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MR. MANGAT: Staff recommends that the Board adopt the final list of local agency projects to receive
fiscal year 2007-2008 funding under the program, as well as the provisions for backup projects that I discussed earlier.

Thank you.

CHAIRPERSON NICHOLS: Thank you.

I really want to commend the staff as well as our local agency partners for a stellar job in turning around within three months $250 million worth of applications with really strong projects and backup projects. I think it indicates both the need for this funding and also the competence that ought to give people a real sense of assurance that we can get substantial emissions reductions out of this program.

So I want to congratulate everybody who was concerned. It certainly looks like a very well thought through list of proposals and projects. I think they're just really quite an impressive bunch of projects.

We do have six witnesses who've signed up. If there are no immediate questions from the Board, let's just go to the public testimony, beginning with Chung Liu from the South Coast, followed by Arley Baker from the Port of L.A.

Mr. LIU: Good afternoon, Chair Nichols, members of the Board. My name's Chung Liu. I'm the Deputy Executive Officer for the South Coast Air Quality
Management District, responsible for science and technology advancement.

On behalf of my agency, I would like to express our support to your staff's proposal for the allocation of $122 million, exactly 55 percent of the money that the ARB Board really want to come into the Los Angeles and Inland Empire Trade Corridors.

The South Coast AQMD also support your staff's proposed funding distribution among the different project categories, including an allocation of $98 million to the Port of Los Angeles and Port of Long Beach for replacement of these trucks. And the identification of South Coast AQMD as a backup to activate projects should the port be unable to fulfill their requirements, which we think they have a very high potential to really get it done. But I really still appreciate that the Board recognize as the backup here.

South Coast AQMD would also like to make a request to be included as a joint administrator for the implementation of the drayage truck projects with the ports of Los Angeles and Long Beach. The reason for this request is that we believe -- we have many years of experience in administering the Carl Moyer program and other incentive programs. Our streamlined contracting process and our enforcement staffing will be able to

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smoothly expedite the implementation of these projects in full cooperation of the ports.

In conclusion, the South Coast AQMD appreciates your staff's proposed funding allocation to our region and support the recommended proposal with the inclusion of South Coast AQMD as a joint administrator for the drayage truck projects at the Port of Los Angeles and Port of Long Beach.

Thank you very much for the opportunity to speak to you.

CHAIRPERSON NICHOLS: Thank you.

Any comments from the staff?

EXECUTIVE OFFICER GOLDSTENE: Well, we'd like to comment for the request about the partnership. I'll ask Cynthia Marvin to respond to that.

ASSISTANT DIVISION CHIEF MARVIN: We're very pleased to note that the ports in the South Coast have been working together on this overall effort to clean up the port trucks down there.

The ports chose to submit a joint application, just the two ports. We are proposing that the legal agreement be between ARB and those two ports. However, as part of that proposal the port asked for the ability to use consultants and contractors. And we understand that they are in discussions with the South Coast. And to the
extent that the ports in the South Coast reach joint
greement about a three-way implementation, that would
work fine under the proposal. South Coast would not
legally be part of the grant agreement, but they certainly
would be a key participant in implementation.

CHAIRPERSON NICHOLS: Well, that could have some
real advantages in the contracting world. So I can see
why that would be desirable. Let's hope it will work out.

Thank you.

MR. LIU: Thank you.

CHAIRPERSON NICHOLS: All right, Mr. Baker --
well, why don't we have both the Port of Long Beach and
the Port of L.A. come together since we've got this
great --

(Laughter.)

CHAIRPERSON NICHOLS: -- collaboration going on
here. That would be unprecedented.

They're definitely following each other.

MR. KANTER: Well, I'm afraid, Madam Chairman,
that it's still going to be unprecedented. Arley Baker
had to leave early, unfortunately. So --

CHAIRPERSON NICHOLS: So you're representing both
ports.

MR. KANTER: I'm representing both ports here.

And really I want to thank you.
I'm Bob Kanter and I'm Managing Director for Environmental Affairs and Planning in the Port of Long Beach. And, first of all, I just want to thank you for giving me the opportunity to address the Board.

And really I want to echo your comments, Chairman Nichols, about the staff. And I can't say enough good things about how hard we saw and worked with your staff. And they're to be commended. A big challenge, and they rose to the challenge and did a great job. And certainly it was evident through the whole application process, the development of the guidelines and the like. And, you know, they've just done a yeoman's job.

I thought it was also great to note that they had an outstanding outreach effort. That was very important, to make sure that all of us that were involved in the application process were aware of the requirements and could work with the staff. In particular, Cynthia Marvin and Doug Ito and Judy Friedman were just great. I mean when we had questions, there were clarifications, and they were right there. It was really a collaborative effort, and we do appreciate that.

You know, I today would like to support the staff's recommendation on behalf of the ports of L.A. and Long Beach for the 2007-2008 fiscal year funding recommendations that you've heard just recently. We
I intend to make this in collaboration with your staff a successful program. We think we have all of the key elements in place or being put in place that will make this a monumental program that will significantly reduce emissions in our area and into Los Angeles and into the Inland Empire Trade Corridor, which, as you know, is a major challenge. And we think this is going to be good. Our truck program alone just from the ports of L.A. and Long Beach will reduce emissions from trucks by about 80 percent by 2012. And it's very aggressive. I think it's unprecedented anywhere in the world. And we know it's ambitious, but we think we can accomplish that with your help.

We note that there will be future awards coming up. And, you know, our program involves nearly 17,000 trucks. So we'll be back asking for some additional funds. Again, we do have some revenue generating in place as well as port funds dedicated to this.

Given the great need, also our application we identify in our Clean Air Action Plan other areas where we will be coming back under future funding proposals, including cold ironing or a shore-side electrification for putrescibles. We felt that the trucks were our greatest priority right now. But later on, cold ironing, with some rail projects and some cargo-handling equipment projects.
So we look forward to the opportunities.

So, again, we thank you for this opportunity.

And together I think we can really make some inroads into reducing the emissions from goods movement down to the --

CHAIRPERSON NICHOLS: Thank you, Mr. Kanter.

MR. KANTER: Thank you.

CHAIRPERSON NICHOLS: This was a great beginning.

All right. We have in Bakersfield a person who signed up to testify – Matthew Schrap.

Is Mr. Schrap there in Bakersfield?

MR. SCHRAP: Yes, I am right here. Thank you very much, Madam Chair. My name is Matthew Schrap. I'm with the California Trucking Association.

CHAIRPERSON NICHOLS: The magic of television.

(Laughter.)

MR. SCHRAP: Technology, it's wonderful, it's wonderful.

And thank you, Madam Chair and Board members, for the opportunity to testify today on the record. My remarks will be very brief.

Well, let me begin by saying that as the bond allocations become an economic reality, the California Trucking Association continues to stand ready to assist in outreach efforts throughout each of the trade corridors.

I do not sit here before you via videoconference.

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in Bakersfield to challenge nor endorse staff recommendations for funding. I would agree that they have done a monumental job in coming to this point. But our statewide association looks to work with each of the local entities to ensure that the most appropriate and effective projects are funded.

However, we do have one concern with the guidelines for the first round of funding, despite the fact that they cannot be changed for this round. As 1B staff is well aware, lately serious concerns have arisen surrounding the Class A only eligibility requirements. CTA feels that if a vehicle is not designated Class A but is equipped with the same engine that Class A trucks are equipped with, then that vehicle should be considered eligible for 1B funds in the next round.

These engines have the same pollution footprint, so to speak, and should be treated the same.

And with that, I will conclude my brief remarks with the understanding that CTA looks forward to a continued dialogue with 1B staff as well as future coordinated outreach efforts with local entities.

And thank you very much for your time.

CHAIRPERSON NICHOLS: Well, thank you, Mr. Schrap. We understand that the Trucking Association is a key player in this issue, and we welcome your support and
help in making this a successful venture.

MR. SCHRAP: We're happy to be here through all of these interests.

Thank you.

CHAIRPERSON NICHOLS: I would like to ask staff to respond to this issue. I had not heard this one before.

ASSISTANT DIVISION CHIEF MARVIN: There was an issue that was raised in our last round of workshops, questions really about implementation of the truck proposal.

What the guidelines say is that trucks that would be eligible for the program, whether they are port drayage trucks or trucks serving other markets, that we would be restricting eligibility in this first round to the heaviest of the heavy trucks. There are, as you know, many more trucks out there than we have funding for. So when we looked at how to get the most out of these dollars, we thought it was appropriate to at least initially focus on the trucks that pull the greatest loads, typically have the greatest emissions.

The other difference that was important from an emissions perspective is that typically the engines that are certified to the next lower level don't have to go through as rigorous an emissions testing process. They have to
show much less durability than the bigger engines. So all
I'm trying to say, there is that -- there's an advantage
to investing the state dollars in engines that have been
certified to meet lower emission levels for a longer time
period. So we will reexamine this issue over the summer
as we get prepared to bring you the updates for the next
round of funding.

CHAIRPERSON NICHOLS: Thank you. That

Okay. We now come back to this room in Fresno.

And we have Mark Loutzenhiser. I'm sorry if I'm
butchering your name.

MR. LOUTZENHISER: Thank you, Madam Chair. And
actually you had that correct. My name is Mark
Loutzenhiser. I'm with the Sacramento Air Quality
Management District.

On behalf of Larry Green, our Air Pollution
Control Officer, I'd like to pass on our thanks to ARB
staff and to this Board for all of the efforts on this
program. Unfortunately, Larry Green had to be at our
board meeting this morning, and so was unable to attend
here himself.

In short, I just really want to say, again,
thanks to the support from ARB staff. When we have had
questions, they have been available to us. We do support

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the proposal as it is before you. We are prepared from a
staffing perspective and actually from a project
perspective to fully allocate this funding that is
available to us, and I'm sure that most of the other air
districts and ports are in a very similar position as
well.

From our early grant program, we had over almost
nine to ten times as many proposals as we did on the early
grant proposal money, and are prepared in terms of the
current allocation for the trucks. Now, although it will
have to depend on the RFP process itself we have already
identified. And prior to applying to the grant program
for the locomotive line haul project we did already
identity ten locomotives that will be part of an
application process for that. So barring other people
that submit through that process and going through the RFP
itself, we anticipate a very early turnaround on the full
allocation of that money as well.

As we pass on our support and thanks.

CHAIRPERSON NICHOLS: Thank you very much.

MR. LOUTZENHISER: Thank you.

CHAIRPERSON NICHOLS: Bonnie Holmes-Gen and then
Colby Morrow.

MS. HOLMES-GEN: Good afternoon, Madam Chair and
Board members.
And on behalf of the American Lung Association of California, we're pleased to support these proposed expenditures. And we're very pleased to see this program rolling out very quickly. That's a key priority for us, to start getting these pollution reductions, get the funding now, get the public health benefits and especially to get the reductions in the impacted communities living near freight corridors.

And we also submitted a joint letter with a number of our colleagues, including the Natural Resource Defense Council and Coalition for Clean Air and others. So I think that you have that.

And we think you're on target with the funding priorities. And we believe the focus on the truck retrofits makes sense and we're pleased with that.

We also wanted to note that we think that the ARB should follow very closely the local rollout of these funds to make sure there's a good process for local outreach and involvement, that there's a key focus on outreach and technical assistance to smaller businesses that are most in need of the funds, and just to make sure there's a careful monitoring to ensure all the funds are effectively spent.

We're pleased to see that you had the backup funding proposals, that's a terrific addition to this, to
make sure that if a fund is not fully subscribed that you can quickly switch gears and get this money out.

And also I wanted to make sure that you're following closely the development of these local matching funds. You have a lot of sources that are identified. But as you've mentioned, there's some fees that still have to be imposed, for example, in the Port of Oakland. And so we're just concerned that you do follow that very closely and help push that to happen quickly so we have those funds ready to go.

Thank you. And thank you to staff for all the hard work on this. And we look forward to working with you on the next phase.

CHAIRPERSON NICHOLS: Great. Thanks very much.

Ms. Morrow.

MS. MORROW: Good morning, Chair Nichols, Board members. My name is Colby Morrow and I'm with Southern California Gas Company.

And I didn't come today to testify with regard to this program, although I have followed it and attended many of the meetings and I really appreciate the funding program. But it really occurred to me listening this morning to the truck rule and given that the money right now is going to be distributed based on most cost effective, which the majority of this money will go
towards diesel trucks, diesel replacement trucks. And
tucks purchased with this money given the new truck rule
will have to be replaced -- under the schedule currently
in the proposed truck rule, these brand new trucks are
going to have to be replaced again. And so I just really
think that we’re at this time in air quality that the
Board could really, you know, give some serious
consideration to a policy direction that would really
encourage additional natural gas vehicles.

And the main reason being is natural gas engines
meet the 2010 standards today. And we heard this morning
that, well, there’s no technology until 2010, and Cummins
engines isn't even going to roll it out until 2012. Well,
there's natural gas engines -- heavy-duty natural gas
engines that can meet it today.

So I just am here on behalf of the natural gas
industry, and really encourage the Board and staff to
really consider looking at, you know, a new policy
direction with regards to natural gas.

And I also would like to point out that given
today’s fuel prices for diesel, natural gas gallon
equivalent is over two dollars -- two dollars per gallon
less than diesel.

Thank you very much.

CHAIRPERSON NICHOLS: Thank you.
Do you want to comment at all on the policy issue that's been vetted there?

ASSISTANT DIVISION CHIEF MARVIN: Well, we just note very briefly that the way this program is set up, if a truck owner wants to replace an old diesel truck with a new natural gas truck that already meets the 2010 standards, that owner has a competitive advantage because that project will get additional emission reductions. So we would expect that proposal to rise to the top of that pile.

We would also expect over the summer that as we look at the specifications we'd bring to you for the next round of funding, that the latest proposal in the statewide truck rule will certainly factor in there, what can we do to be creating or incentivizing the production of the 2010 engines sooner with this bond money? So that would be first and foremost.

CHAIRPERSON NICHOLS: So there is nothing in this proposal or nothing in the allocations that are being approved today that would discourage a truck owner from applying to use a natural gas versus a diesel?

ASSISTANT DIVISION CHIEF MARVIN: Absolutely not.

CHAIRPERSON NICHOLS: And, in fact, I guess your argument is it would be the opposite, although people may not necessarily realize that unless they are following
what's going on with the truck rule. And maybe some people should be making sure that that outreach is done, such as the gas vehicle proponents, for example.

Okay. Well, good. That's good to know.

BOARD MEMBER BERG: Chairman Nichols?

CHAIRPERSON NICHOLS: Yes.

BOARD MEMBER BERG: Just in following up on that, are we going to encourage the older trucks though to be replaced? Because at least then they have -- we're taking the older vehicles off the road and they have until 2020. And putting as many retrofits as we can until really the replacement of 2010 trucks would make the most sense. Do we have a game plan that we're working with the air districts so that we're just not exchanging out 2004 models for a 2007 for example?

ASSISTANT DIVISION CHIEF MARVIN: The way the program is set up with the guidelines you adopted in February, the guidelines identify what projects are eligible. And we expect that the types of trucks that are going to come into the program, the ones that will be funded first, are the very oldest trucks that need to be replaced because they're high emissions. And the trucks that will be the most competitive will also be the trucks that are applying for retrofit funding.

So what we're hoping to see is that the oldest
trucks are replaced, the more middle age trucks get retrofits to immediately reduce PM until they're ready to invest in that newer technology.

BOARD MEMBER BERG: And I think in our agreements with the truck owners that there should be disclosure that even with a replacement truck purchased today, that they will be required to replace that truck in 2020 or of some future time that that rule is adopted. I think that's a prudent disclosure.

CHAIRPERSON NICHOLS: Good idea.

ASSISTANT DIVISION CHIEF MARVIN: Okay. We will certainly incorporate that in the materials we make available to the local agencies.

CHAIRPERSON NICHOLS: Mayor Loveridge.

BOARD MEMBER LOVERIDGE: This is just a personal comment. But I mean this is a big deal, this is big bucks. And often there's sort of perfunctory thanking of staff. We know staff has done this. And it seemed to me what we heard today was a character above that, that I just wanted to sort of offer my kudos to those who were involved in this from the CARB organization. I mean I think the language was really one of real high applause. Just for observation.

CHAIRPERSON NICHOLS: Thank you. I think we've got an endorsement for that.
BOARD MEMBER BALMES: Well, just following up on something that Ms. Holmes-Gen said. And then it really came up at the hearing back in February. I think the staff and the districts have done an outstanding job in its initial allocation of funds. But we heard testimony about community input. And, you know, I think that the monies have been appropriately allocated for this initial round. But I do think we need to bring the communities into the process as much as possible. I especially thought that after we heard about the Oakland -- West Oakland health impact assessment.

So we had asked staff to think about how that might be done. And I just would like to make sure that we stay on target there.

CHAIRPERSON NICHOLS: Good point.

I think the districts are probably in the best position to make sure that they are getting the local level input wherever they are.

BOARD MEMBER BALMES: I guess I was hoping that maybe in the information that the Districts get about applying for the funds that there's outreach included or some way of involving the community in some of the decisions that are made down the road.

CHAIRPERSON NICHOLS: Well, and I think the issue
about how they publicize these programs really ties in to
that.

Did you want to add anything, Ms. Marvin?

ASSISTANT DIVISION CHIEF MARVIN: I just wanted
to note that in the guidelines you adopted in February
there were provisions there. But the timelines really
truncated it very severely. It is our intention and their
intention to have a much more thorough effort in community
involvement in this next round.

BOARD MEMBER BALMES: Thank you.

CHAIRPERSON NICHOLS: One thing that strikes
me -- again, I'm pretty excited about actually seeing some
of these new trucks out there on the road and the
retrofits going on. And I hope that we could find a way
to work with the districts -- and I think this is
consistent with Bonnie Holmes-Gen's comment too -- to
actually highlight some of these projects as they're going
forward and, you know, have photographs have -- you know,
invite people in, have a party or a press conference or
both to celebrate this. Because we're really getting some
major emissions reductions, and they're going to be
happening in the next few months in, you know, the worst
air pollution season, at least for us in the South Coast,
which is usually in the September, October time frame. So
it would be great to pay some attention to that.
BOARD MEMBER BALMES: I really endorse that. I think that the public put a lot of money into this and they should see the results. And it can often seem arcane. It won't get the media attention that it should unless we push it.

CHAIRPERSON NICHOLS: Your bond dollars at work.

BOARD MEMBER BALMES: Yes, exactly.

(Laughter.)

CHAIRPERSON NICHOLS: Okay. Thanks, everybody.

BOARD MEMBER LOVERIDGE: So moved.

CHAIRPERSON NICHOLS: We need a motion, which it's been moved by Mayor Loveridge --

BOARD MEMBER BALMES: Second.

CHAIRPERSON NICHOLS: -- seconded by Dr. Balmes.

We do still need a roll call vote, however.

SECRETARY ANDREONI: Dr. Balmes?

BOARD MEMBER BALMES: Aye.

SECRETARY ANDREONI: Ms. Berg?

BOARD MEMBER BERG: Aye.

SECRETARY ANDREONI: Ms. D'Adamo?

BOARD MEMBER D'ADAMO: Aye.

SECRETARY ANDREONI: Supervisor Hill?

BOARD MEMBER HILL: Aye.

SECRETARY ANDREONI: Mayor Loveridge?

BOARD MEMBER LOVERIDGE: Aye.

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SECRETARY ANDREONI: Professor Sperling?

BOARD MEMBER SPERLING: Aye.

SECRETARY ANDREONI: Chairman Nichols?

CHAIRPERSON NICHOLS: Aye.

SECRETARY ANDREONI: Yes votes win. Motion passes seven to zero.

CHAIRPERSON NICHOLS: Thank you.

All right. We move on now to the topic that is near and dear to many of us, which has to do with land use and transportation and AB 32.

EXECUTIVE OFFICER GOLDSTENE: We've been providing the Board with updates on AB 32 implementation. And this month's update will focus on land use, transportation, and vehicle travel.

The land use policy is considered the most important long-term strategy to reduce vehicle travel in the state. And of course it's the domain of local governments since California law gives them most of the decision-making authority in this area.

Last month, the Board hosted the Eighth Annual Haagen-Smit Symposium, where we focused on land use and transportation strategies to reduce vehicle travel. We brought together major policy makers and stakeholders from throughout the state and we've had some very lively and effective discussions.

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Staff is going to summarize how land use and transportation strategies influence travel behavior, then share an action framework for moving forward under the AB 32 rubric.

I'd like to introduce Jeff Weir from the Planning and Technical Support Division to begin the staff's presentation.

Jeff.

(Thereupon an overhead presentation was presented as follows.)

AIR POLLUTION SPECIALIST WEIR: Thank you, Mr. Goldstene. Good afternoon, Chairman Nichols, members of the Board.

In February, staff gave you an update on the vehicle and fuel technology aspect of transportation-related greenhouse gas emissions. Today, staff will provide an update on the vehicle travel side to transportation and climate change.

Regional and local governments have the bulk of authority to plan, approve, and permit how and where land is developed, how the transportation system is built, and how localities operate on a day-to-day basis. Therefore, regional and local governments will play a large role in reducing future greenhouse gas emissions, mostly from vehicle travel reduction resulting from land use decisions.
and transportation strategies.

After providing some background on transportation emissions and the drivers of vehicle travel, I'll conclude with the main product from last month's Haagen-Smit Symposium - an action framework to reduce greenhouse gas emissions from land use and transportation.

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AIR POLLUTION SPECIALIST WEIR: Transportation sources are the largest emitters of greenhouse gases in the state - 39 percent of the projected 2020 inventory. Cars and trucks will emit the vast majority of transportation emissions - 210 million metric tons of CO2 equivalent in 2020. That's 36 percent of the total. Other transportation sources, mostly trains, planes, and ships, are just 3 percent of the pie.

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AIR POLLUTION SPECIALIST WEIR: Land use and transportation strategies mainly impact passenger vehicle travel. So splitting up passenger vehicles and trucks, you see that passenger vehicles are the biggest emitters, about 160 million metric tons in 2020.

That represents about 27 percent of the state's total greenhouse gas emissions, making passenger vehicles alone the largest sector of the pie shown in the last slide.
AIR POLLUTION SPECIALIST WEIR: What’s the overall picture for reducing greenhouse gas emissions from transportation? Three interrelated components, like a three-legged stool: Changes in vehicle technology and fuels are two of the legs; vehicle miles traveled, or VMT, is the other leg.

AIR POLLUTION SPECIALIST WEIR: And as this slide shows, we must reduce emissions from all three components to help reach our AB 32 goals.

The red line shows the projected trend of passenger vehicle greenhouse gases. It is rising mainly due to the increase in vehicle travel.

The orange line represents the projected benefits of our already adopted AB 1493 regulation and the planned follow-up rule to achieve more carbon efficiency from passenger vehicle engines. These rules are often called Pavley I and Pavley II after the author of the empowering legislation.

The black line represents the combined benefits of the Pavley I and II vehicle regulations and the impact of a low carbon fuel standard.

While these technology strategies significantly reduce greenhouse gas emissions from passenger vehicles,
we still must reduce emissions further if the passenger vehicle sector is going to get down to 1990 levels by 2020. We must reduce emissions from the third component of transportation: Vehicle use.

So how do we begin to slow the growth in vehicle travel?

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AIR POLLUTION SPECIALIST WEIR: There's a widespread agreement supported by a large body of research on the broad integrated actions needed to reduce per capita vehicle travel.

This slide illustrates four main drivers of VMT reduction, starting at the top and going counter-clockwise.

First, land use patterns must help bring more people closer to more destinations in transit.

Next, when smart land use patterns provide a better market for alternate modes, transit, car pool, bike and walk infrastructure become more cost effective.

Third, sending more market-based price signals that reflect the cost of driving can make the transportation system more efficient.

And, fourth, the value of conserving. The other three of the VMT reduction drivers provide people with more transportation and land use choices that result in
behavior change. More transportation choices allow people more options to choose to conserve their driving.

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AIR POLLUTION SPECIALIST WEIR: But for significant long-term reductions in per capita vehicle travel, land use is the key. This chart shows the results of data compiled through research sponsored by the Air Resources Board in the mid-90s and supported by dozens of studies since. These studies have shown that urban infill and related measures can reduce VMT by 30 percent or more compared to auto-oriented suburban neighborhoods. And maybe even more important, since there are only so many infill opportunities, more dense suburban smart growth developments can reduce VMT by 10 percent or more.

I'll mention that the reason for these impacts isn't just land use strategies in a vacuum. It's the combination of the strategies illustrated on the last slide that begin with land use patterns that support more transportation choices.

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AIR POLLUTION SPECIALIST WEIR: And these actions can have immediate results.

Land use decisions, like building higher density transit-oriented developments, have positive impacts right away. But it takes a lot of them to accumulate into a
significant impact. That's why land use is considered a long-term strategies that must begin now.

Land use strategies mostly impact new growth.

Population is projected to increase 13 percent between 2010 and 2020. But population will grow almost 40 percent by 2040.

The impact of land use strategies may not be overwhelmingly significant by 2020. But if we begin now, the accumulation of benefits over the next 30 to 40 years can result in a very significant change over business as usual.

And California's crying out for the benefits that smart land use and transportation decisions can bring. We now have $4 a gallon gas with a transportation system that is fairly dysfunctional for anything but cars. We need to begin to provide more alternatives to increasingly expensive car travel. The co-benefits of doing that are substantial: Better access to not only transportation options, but jobs, services, and affordable housing; less land used and more open space; more physical activity that leads to improved health; and better water and air quality due to sustainable planning and less vehicle travel.

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AIR POLLUTION SPECIALIST WEIR: And here's an example of starting now and growing smart over the next

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This is a summary of the Sacramento Area Council of Government's 2050 blueprint vision results compared to the business-as-usual scenario. Significant increase in access to jobs, half the land used, reduced congestion. And a 25 percent reduction in per capita household vehicle travel due to increasing low-carbon travel. More accessibility but less vehicle use made possible by sustainable land use patterns and a more functional transportation system for all modes of travel.

A key question for major regions in the state that are beginning to map out sustainable visions for the future is: How do we ensure that these plans become a reality?

AIR POLLUTION SPECIALIST WEIR: The Air Resources Board just hosted a land use, transportation, and climate change symposium for major policy makers and stakeholders in April to discuss questions like that. Chairman Nichols and all the participants made sure that the Haagen-Smit Symposium resulted in an action framework for the land use and transportation portion of the AB 32 scoping plan.

Staff has consolidated the two action documents that were forged during the symposium. That framework for action is in your Board packets.

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The action framework begins with performance-based transportation-related greenhouse gas targets established to help meet California's climate change goals. Put succinctly, targets will help define what regions should achieve.

Next, regional and local agencies must work together to provide a vision for attaining these targets. The regional blueprint planning and implementation process will be the model to help reach targets at the regional level. State and regional agencies will encourage development of general plans and local climate action plans that are consistent with and link back to the regional blueprints.

To what degree regional targets are allocated down to the local level has been the subject of much diverse discussion. The Haagen-Smit framework has not been sorted to that level of detail.

But the Haagen-Smit participants also identified the need for an enabling structure of policies, programs, incentives, and guidance to assist the local actions needed to meet targets and help ensure accountability.

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AIR POLLUTION SPECIALIST WEIR: This enabling structure would need to do the following:

Use the California Environmental Quality Act
(CEQA) to mitigate greenhouse gas emissions by
establishing significance thresholds statewide and
improving the CEQA process to support good projects and
mitigate high emitting developments.

Align existing funding sources and help secure
new funds to support the enabling infrastructure.

Promote large scale project demonstrations that
provide prototypes for future low carbon developments.

Remove barriers to mixed-use developments and
projects in California's existing zoning and eliminate the
incentives for sprawl.

Pursue proven emission reduction strategies, such
as indirect source rules to mitigate high carbon footprint
development and pricing measures to more accurately
reflect the cost of driving.

Develop local government quantification tools,
improve VMT estimation methods, and develop more refined
land use and transportation models.

Promote low-impact development and reduce
greenhouse gas emissions across all levels of government
through the state's building, operation, and coordination
efforts.

And secure public support for the actions
necessary to reduce greenhouse gas emissions, and
encourage individual actions that reduce greenhouse gases.

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That's the Haagen-Smit Framework for Action.

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AIR POLLUTION SPECIALIST WEIR: But before the scoping plan is adopted and implementation steps begin, there are many things that are being done and can continue to be done to reduce emissions from vehicle use. Actions can begin now.

Regions can continue to work with local agencies to plan for a vision of a low carbon future. The San Joaquin Valley is one of the regions in the state that is participating in the ongoing blueprint process, with funding help from the Legislature and assistance by the Department of Transportation.

Cities and counties throughout the state are voluntarily incorporating climate change into their general plans and adopting climate action plans. Thirty California cities have already adopted climate action plans. We encourage more cities and counties to act now and move to adopt plans and take actions that will reduce greenhouse gas emissions.

The Legislature has required the Office of Planning and Research to develop CEQA guidelines for the mitigation of greenhouse gases. And the Haagen-Smit action framework recommended that significant thresholds be established.
Before these guidance actions take place, local agencies can work now to make certain that projects mitigate greenhouse gas emissions. One way is to ensure that projects and plans are incorporating greenhouse gas emissions in their environmental review and by working to show that certain mitigations are feasible.

In conclusion, land use and transportation issues are part of a complicated system with many players and many impacts. The draft scoping plan will not attempt to deal with every issue and solve every problem related to land use and transportation. That would be naive and, frankly, inappropriate due to the nature of land use jurisdiction in California. The draft scoping plan will look to provide concrete fundamental steps that need to be taken to provide a solid foundation for the ongoing land use and transportation actions necessary to help meet our climate change goals.

That concludes the presentation. Thank you.

CHAIRPERSON NICHOLS: Thank you very much. I think that's a really good summary of what was accomplished at Haagen-Smit. It may look like a simple little list of measures. But I think all of you who've been involved in land use and transportation issues know how complicated this all really is. And I think we achieved a very high degree of consensus around some
statements that are not just mush, you know, that really
do have some direction to them, that people are asking the
ARB to use the authority in AB 32 at least to set some
targets and to do some things through CEQA and otherwise
to try to push us in the right direction here.

So this is an opportunity to ask questions and
weigh in, because something is going to be in the scoping
plan that comes before us soon on this topic.

We'll start with you.

BOARD MEMBER D'ADAMO: Well, I'll just start off
by saying I'm very anxious.

(Laughter.)

BOARD MEMBER D'ADAMO: I'm looking for -- and I
feel like at this stage anyway I'm trying to start to hone
in on areas where we may actually have the jurisdiction.
And I'd like to find out what staff's opinion is to take
this two-sheet document and help us to highlight which
ones would fall into that concrete action plan that we'll
be adopting. I suspect that there are a number of areas
that are completely outside our jurisdiction, a number
that would fall more under the category of incentive-based
measures that we could provide for through an auction cap
and trade sort of incentive programs; and then another
category which would be in the area of regulatory actions
that we could take.
1 The one that I have a particular concern -- or
2 interest in is indirect source rules, because I know that
3 this local district here has already adopted an indirect
4 source rule that has been challenged and upheld and
5 appears to be quite successful. So curious about measures
6 of that nature that we could actually include in the
7 scoping plan.
8
9 CHIEF COUNSEL JENNE: I wish we had an answer for
10 you today, but we don't. We are in the process in the
11 Legal Office of working with the land use experts in the
12 Attorney General's Office and trying to figure out exactly
13 what the scope of our authority is under AB 32. It's
14 clear that we don't have the authority under AB 32 to
15 simply go in and take over the entire land use process at
16 the local government level and tell them what kind of
17 zoning they have to have and permit and don't permit.
18
19 We think we do have some authority, but we're
20 not -- in a month from now we can tell you a lot more
21 because we're trying to work that out now. And so when
22 the draft scoping plan comes out, we'll hopefully have a
23 much better idea of what we can recommend that we think we
24 do have the authority to do and what we don't have the
25 authority to do.

26 CHAIRPERSON NICHOLS: But certainly as a result
27 of the process with the Land-Use Subcommittee and the
Climate Action Team, we have I think a consensus at the state level that ARB has some responsibility under the first item here for establishing targets which would be applicable at the regional level. And just to cite one other that's been on my mind a lot lately, the CEQA issue, while we do not have the authority to update either the statute or the guidelines because that's at the Resources Agency with advice from the Office of Planning and Research, we have now gotten direction from the Governor's Office that we are to work with OPR to help them to establish the thresholds of significance basically to give them the technical advice as to how to do that and to move that process forward so that the local governments and the development community can have more certainty than they do today about how that would be applied.

BOARD MEMBER D'ADAMO: Getting back to the first item on the list - targets. What sort of thinking does staff have or do you have regarding situations where a local government is not quite there yet? I suspect it's going to be easier in situations -- for example, the Bay Area that came to us at the last hearing with a very thoughtful plan. Certain regions of the state are probably going to be more willing than others to collaborate with state agencies and regional governments.

CHAIRPERSON NICHOLS: I don't have an answer to
that question. I don't think the staff does at this point either. I think if we can get to the point in June in the draft plan of simply putting out the information that says we're going to go down this path, that that will unleash a lot of suggestions from the public as to how we ought to go about doing this; and that then we'll go through a kind of a thoughtful process of deciding what mix of carrots and sticks and over what time frame we would like to proceed. And if we need additional legislation in that area or we think we do, that would certainly be another possible thing to talk about as well.

EXECUTIVE OFFICER GOLDSTENE: One of the challenges in this area that we have found as we've been working here is that the League of Cities and the, you know, State Association of Counties represent a wide range of individual politicians at the local level who all have different opinions about how to move forward. And certainly, no matter -- whatever our legal authority turns out to be, we in any case will be providing strong leadership in the area to get local politicians to think differently, more forward thinking about the land use planning decisions that they make.

BOARD MEMBER SPERLING: I've got an answer.

CHAIRPERSON NICHOLS: One of the active participants in the Haagen-Smit Symposium wearing his
academic hat, and having done quite a bit of work on this issue with his colleagues. Dr. Sperling has put forth at least one model for how this could work.

BOARD MEMBER SPERLING: And I'll sketch it out a little more broadly.

CHAIRPERSON NICHOLS: Okay.

BOARD MEMBER SPERLING: But it is the idea, you know, this first one about establishing performance-based targets. You know, clearly we can't -- it's not our prerogative to intervene with cities and counties in terms of their land use authority. But clearly we can set targets for them, you know, working with others. But we can set targets. And I think, you know, out of the -- Mr. Weir was a little gentle about -- cautious about reporting back what we discussed at the Haagen-Smit Symposium. But my sense is there was a strong commitment to the idea of hard targets. And it could be hard targets -- so the debate was more hard targets imposed on the regions that where those targets and responsibilities are somehow passed down to the cities and counties, or hard targets on the cities and counties but put in a regional context in some way.

And, you know, I personally can't imagine -- if we believe that vehicle travel is relevant at all in the greenhouse gas in AB 32 discussions and if we believe that...
cities should be engaged in some way, you know, more broadly including some of the energy use in buildings and other issues, there would have to be hard targets. I'll use that expression for now. But leaving the discretion to the cities and counties to decide exactly what to do, and to make it as incentive based and reward based as possible. In other words, emphasis on, you know, the carrots and not the sticks. So that if there are cities that just, you know, can't get their act together, don't want to get their act together, you know, there would be minimal repercussions. But if they are willing and able to engage, there'd be substantial rewards for doing that.

And I think, you know, many cities and, as I think about it, most cities will understand it's in their interest to do so, because it's -- as it was listed here, there's all these what, you know, we might call co-benefits that -- you know, reducing the greenhouse gas as a CO2 is, you know, just one of the benefits. And whenever you start reducing congestion, then you don't have to build as many freeways and roads. You have more livable communities. You know, there's all kinds of good stuff that comes out of it. And, you know, this is a new paradigm, it's a new world. But it is a new world.

That's my long speech on the --

CHAIRPERSON NICHOLS: Well, and it's helpful
actually. I mean I think what's happening at the moment is that there are many different individuals and organizations that are sort of trying to put forward the approach that they think would be the most effective in getting climate issues put front and center in the planning process. And as a result of it, especially whenever we introduce people or groups that don't do land use as their kind of major activity, there's quite a steep learning curve to figure out just where to intervene in a process that's so complicated and has so many different players involved.

I attended a meeting a few weeks ago of -- but it was an invitation to people in the transportation and land use world that brought mostly transportation agencies, but also a bunch of states and environmentalists and others, together to talk about what could be done in federal transportation legislation which is going to be out next year, reauthorization of the Highway Act to include some of these same concepts as part of the way that federal transportation dollars, which are certainly the biggest pot of carrots that exist, I guess, in the land use area, would be the transportation funds, to how those could perhaps be more targeted to incentivize things.

And I don't know whether it makes you happy or chagrined to know that California is like at the cutting
edge of all of this stuff. I mean we're considered to be
the leaders nationally in having our act together in
linking environmental and transportation planning
together.

But I do think that this blueprint idea is one
that has emerged as one of the few things that people can
agree at least with the right set of players and
commitments can be an effective tool for getting people on
to the same page. So there's a shortage of really great
success stories out there. But this is one that seems to
be emerging as one that people can rally around. And the
SACOG examples has been widely touted and it certainly --
you know, it's still a work in progress. But the fact is
that at least after ten years of hard work they came up
with a plan that people are actually willing to live with.
It seems to work.

BOARD MEMBER LOVERIDGE: Or you ought to get the
city-county reaction part of it -- identify been making
comments. The heartland of local government has been land
use authority.

BOARD MEMBER HILL: We're waiting.

CHAIRPERSON NICHOLS: Well, we're expecting
either an explosion or an endorsement. I don't know.

BOARD MEMBER HILL: In the Bay Area we have, you
know, kind of come together to develop a blueprint as well
as a joint policy Committee that I sit on with the
Association of Bay Area Governments as part of an ACDC,
the air district, and an MTC. And, in fact, I -- in our
last meeting I shared this with them, which was last
Friday, and I actually didn't send it to them until today
because I knew we were having -- but I forwarded it to
them because of the discussion that they're having in
developing the blueprint as we move forward. So I think
we'll see some issues there.

But, you know, the state is doing this already in
the housing elements that are required for all areas. And
some have the Bay -- well, actually the San Mateo County
Peninsula in our housing element we had special
legislation last year that allowed us to regionalize that
so that each city could partner and arrange so cities --
you know, we have cities of Hillsborough and Atherton,
Portola Valley and Woodside, which are not going to have
affordable housing in any regards. And so we've been able
to share those responsibilities. And I think that could
develop in this where there's a performance measurement
and just as there's a housing requirement that would go to
certain areas.

I see some future in here, but without taking
away that land use authority --

CHAIRPERSON NICHOLS: We all have to pledge
allegiance to local land use authority.

Yes.

BOARD MEMBER Balmes: So one cautionary note from
the health side is -- first of all, I want to say it's
really great to see CARB having to deal with land use
issues. I'm no expert, but I've been saying for years in
terms of dealing with air pollution health effects that we
have to do this. So it's great that AB 32 is motivating
us and empowering us to --

BOARD MEMBER Loveridge: You need to be careful.

If CARB is going to be seen as the new land use planner
for the state of California --

BOARD MEMBER Balmes: No, no. I don't want to
infringe on local authority.

BOARD MEMBER Loveridge: Okay. You be careful.

BOARD MEMBER Balmes: I'm thinking -- thinking
about regional targets sounds like a good idea.

But a cautionary note on the health side is that
as you do work with landfill -- infill -- excuse me --
urban infill and you get people more densely packed in,
you also expose them to high density traffic emissions,
traffic corridors. I know eventually we're going to
have -- we'll have alternatives. But right now when you
put people together you get them exposed to more truck and
bus emissions. And that's been something that San
Francisco's had to deal with. So it's just a cautionary note we have to think through that part of it too.

CHAIRPERSON NICHOLS: No, it's a big issue in terms of local design and planning. You know -- I think the community groups that were here earlier for the PM2.5 SIP have left for this part of the discussion. But, you know, years ago when the issues about environmental justice really started to rise up to the top and EPA was identifying areas where there were the greatest risks to people, they did some work in New York that showed that they went in because there was a request from the community in the Bronx that was exposed to an incinerator and was potentially the target of, you know, some other undesirable land uses. And so they did some surveying of where they had the greatest concentrations per exposure of people. And they found out that the worst area in New York was right around Times Square. You know, the combination of all the people who were there on a daily basis working and going through the area and all the traffic that was there was resulting in these incredibly high risk factors. And that was not news that anybody really wanted to hear, but it definitely pointed out the fact that the biggest toxic exposure was coming from the vehicles.

BOARD MEMBER BALMES: I think even CARB's own...
recommendation about how close residential housing's
to roadways is sort of a contradiction.

CHAIRPERSON NICHOLS: Yeah. We don't really want
to see cities where there are these big empty zones, you
know, alongside the transportation corridors that people
can't go into. You're right. It's an important issue.

Now, Mayor Loveridge is going to tell us how this
is really going to work.

BOARD MEMBER LOVERIDGE: Let me just begin by --
and I support the Haagen-Smit Framework for Action that's
here. It is also -- I mean it's just that -- one obvious
point, that this is -- my own experience of at least
thinking about and studying state politics, I think this
is the most complex multi-variable kind of effort that I
can recall. And, you know, in one case people say, "Let's
look at best practices in other states." There are no
other best practices in other states. We are out there in
terms of our country and maybe the world about what we're
attempting to do. Very complex, very difficult. And I
think people are just becoming aware of that AB 32 is
coming. And so I think there's going to be increased
discussion.

My only just a quick comment is you've got to
be -- if you read the established performance-based
target, which is very similar to the kind of framework
you're offered to do, there's nothing about ARB becoming a
ew state planner for cities and counties. I think that
that language, we need -- what's here in that first
paragraph I think cities and counties can look at and say,
"Yes, I understand and respect that." If we talk about --
which it does actually affect land use planning and so
forth. But if you begin with land use planning, you're
going to -- I mean it's what cities have the most
suspicion of, that the state is trying to tell them what
to do. And I think how it's approached, the language is
used is important.

Just to cover quick comments. I agree with the
comment that Jerry made about housing. That is, the
regions have seen housing in numbers. The difficulty I
have with this so far is measuring greenhouse gases. I
remember listening to the Attorney General, who's saying
that when he was signing up these -- that 800 mayors have
signed the Mayors' Climate Protection Agreement. Jerry
said he wanted to sign it. He didn't have the foggiest
idea how he was going to do it or what it meant, but he
wanted to sign it. As Attorney General, he's been asking
us to pay attention to global warming and climate change.
Yet you ask him what we should do and he says, "Well, I
don't really know, but you should do something." And a
lot of that uncertainty has to do, it seems to me, with
the measurements. And so measurements of greenhouse gases we're trying to do as a city. And it is a very complex and a fairly expensive thing to do. And the simple thing like an interchange going through our city is 300,000 cars a day go through an interchange in our city. You kind of say, "Well, is that" -- I mean there's a lot of gas -- greenhouse gases going through our city by these 300,000 cars that come through. But not many of them are with the City of Riverside.

But the measurement of greenhouse gases and what they are, I've not really seen that in any way that I'm particularly comfortable with.

I do think one thing that cities are on the verge of, and I guess the state is, is this built environment of particular lead standards and how we can -- it seems to me we're very close to getting agreement in almost all cities, but we need to have -- cities are doing it for their own public buildings, but I think increasingly you're going to see it for private construction and so forth. And I think it's like push, cities and counties can be very sympathetic to lead or green standards that reduce energy use in buildings.

CHAIRPERSON NICHOLS: Yes. And people were talking at Haagen-Smit a lot about not just focusing everything on the new construction but also looking at
what we can do to incentivize retrofits for an existing
building stock, because that's not going anywhere and it's
going to be there for a long-long time to come.

BOARD MEMBER LOVERIDGE: But I guess my final
comment is I think we need to be skilled in advancing this
agenda. Because if not, then you'd create all sorts of
backlash. And you can begin to see it with the
Republicans' request to delay all this a year.

But this is a good document. But I wouldn't talk
about being a companion of land use authority that's going
to come from the state and impose it on cities and
counties.

EXECUTIVE OFFICER GOLDSTENE: You raised some
important points.

Relative to measurement, we're working very
closely with the California Climate Action Registry to
develop two protocols that we brought to the Board for
consideration of adoption. Later this fall we hope to
bring a municipal level measurement protocol to the Board
for adoption. And then later next year a community-wide
protocol which will deal with the harder issues about how
to, you know, measure the movement of a trash truck
through multiple jurisdictions and other types of complex
issues.

And so, yeah, that's a very important point, is
being able to document and track that. And we have talked
to cities and counties, and that also costs money. We'll
provide the framework for them for free. But there will
be staff work required to actually put in the data that
will be used to make the measurements.

But we do need to establish those baselines, and
there has to be consistency throughout so we can make sure
that we're in the end being able to track the tons we need
to get under AB 32.

CHAIRPERSON NICHOLS: So this is just the
beginning here. But I think we do need to be mindful
that -- you know, the fact is that the Haagen-Smit
Symposium, although it did attract some representation
from the building community and certainly from local
government, but the representation that was there was
really from the most progressive wing of that group. We
were not hearing from the people who questioned whether
greenhouse gases matter or whether there's anything they
should be doing about it.

The other thing I would just say is that from a
political perspective -- and the thing that I've educated
on recently is that, you know, even among people who do
believe that something should be done and who are most
enthusiastic about doing something about global warming,
there's still a huge amount of confusion about what
actually can be done that's useful and effective. And, you know, the one thing that we do know for sure is that energy efficiency is good. So, you know, when in doubt, think about ways to do things in a more energy efficient way. And so I think that does help at least with an initial screen on some of the projects that might come before us.

BOARD MEMBER SPERLING: You know, I mean I think what you say is exactly right, both with respect to Haagen-Smit and more generally and, that is, that most -- hardly anyone's thought about it hardly at all. So there's a huge -- I mean it's a huge political challenge. But it's a huge communication challenge, I mean because none of us know the answer and it's going to take a lot of discussion and interaction. But if we don't -- I mean I think the challenge is to get some proposals out there, you know, at least for discussion purposes. And, as Mayor Loveridge says, I -- you know, the performance-based targets has to be the way to go. Because once you get in the business of trying to be prescriptive, you know, you're going to go down in flames.

(Laughter.)

BOARD MEMBER SPERLING: And I like the idea of -- you know, this energy use idea with buildings and energies, because, you know, something cities -- you know,
what you want to do is focus on what can cities and
counties really do. And if we bring together the VMT and
the building energy use and kind of put it under one
umbrella and let them be -- give them the flexibility, you
know, if you want to do it all through, you know, somehow
getting, you know, platinum buildings and other kinds of
incentives for energy -- building energy use and, you
know, let there be sprawl and so on, you know, maybe at
least -- you know, at least for a while. Because I think
there has to be flexibility or it's not going to work
and -- and the more flexibility. You know, that's my
belief here. This is as a generality but even personal.

EXECUTIVE OFFICER GOLDSTENNE: The protocols I
mentioned will help drive that kind of thinking, because
they will ask the users of the protocols to think about
the whole range of emissions sources within their
jurisdiction. And so one of the outcomes also is a best
practices for cities and counties on how to move forward
in reducing greenhouse gases. So it all comes together
through this protocol.

BOARD MEMBER LOVERIDGE: I just would add that
the city -- League of Cities now is, through their --
instead of local government, has been called the
California Climate Action Network, which I think is the
best kind of policy effort of the League that I have any
memory of. So it's -- and it's an effort for cities to be helpful. But it's based on an incentive check-off list. What we don't know is what makes a difference in terms of greenhouse gases. And that's why the measurement piece needs to emerge.

CHAIRPERSON NICHOLS: I hope they're throwing water use into that too in terms of urban issues where there can be some control -- Yes.

BOARD MEMBER BERG: I think it will be helpful to remember that we're in a period of disruption. If you look at any great change, we're really in that cycle of disruption. And so when it feels overwhelming to me, I always remember, you know, while we're in this very disruptive change, the cycle, that's when all the innovative people join in. At some point we've got to get over the curve where we get the momentum, get pushed downhill to eventually pick up the naysayers. And so usually during this period is when you have the most innovation and we've got us pushing uphill until we get to that plateau.

BOARD MEMBER LOVERIDGE: Politics. Much of what we do, we want to be comprehensive, we end up being piecemeal and incremental. And difficulties of the big picture is -- one example is the Governor talking about health, as many others have.
BOARD MEMBER BERG: I think we had one speaker on --

CHAIRPERSON NICHOLS: Yes, we do. We have one person signed up. Bonnie Holmes-Gen for the American Lung Association.

MS. HOLMES-GEN: So there is somebody left after the morning discussion here.

Madam Chair, members. Bonnie Holmes-Gen. And I appreciate that you're having a short meeting today, so that I can get up here three times and talk to you.

And I really appreciate the thoughtful discussion that you've had on this topic of land use. And I really wanted to talk to you about this, because I think it's so incredibly important for what you're doing to comply with AB 32 and to reach the 2050 greenhouse gas reduction targets.

And I was really pleased that I was able to participate in the Haagen-Smit Symposium. And it was really a tremendous gathering of expertise and really terrific discussion.

And I'm really impressed now more than ever how critical land use measures and VMT reduction is to meeting our air quality and greenhouse gas reduction goals. And as has been commented, we've known for years how important it is in the air quality arena. And now we have this
added impetus of, you know, the critical crisis of our planet in global warming.

And, you know, the information that we kind of skipped over very quickly. But, you know, just in terms of the greenhouse gas arena, that the vehicle miles traveled increases have the ability to completely wipe out all the progress that we're making in reducing greenhouse gas emissions through the low carbon fuel standard and through the Pavley regulations. And that's a pretty important fact I think for all of us to sit here and think about, and why we have to make progress on land use change and reducing vehicle miles.

And I would assert that vehicle trip reduction is important both for the 2020 and for the 2050 goals, but it's absolutely critical for 2050. And we have to keep that in mind.

Turning around decades of reliance on nonsustainable land use practices and the sprawl is the law mentality, which we talked about in depth at the symposium, is an extremely difficult challenge. It is daunting. But, you know, we have to take it on now.

And I am convinced and we are convinced that your Board -- you have a critical role in this. And you must place a very high priority on land use change if we are going to make real progress. And we're asking you,
calling on you to make very specific -- to give very
specific direction to local governments in the scoping
plan.

Now, I know that there's a lot of concerns that
have been expressed. I'm not suggesting that ARB can take
over local land use authorities. I'm not trying to
suggest that at all. But by setting the targets that
Chairman Nichols and Board Member Sperling and others have
talked about, by setting strong, enforceable regional and
local targets, you are setting in motion the process for
change here. And, you know, there was a lot of discussion
at the symposium about the Bottle Bill example, the AB 939
program --

I knew that -- just a couple more thoughts here.
-- the AB 939 program and how successful that has
been in reducing waste at the local government level. And
that is a model that we can use, the idea of setting
strong targets for every jurisdiction, a tangible,
quantifiable goal, and backing it up with consequences for
not achieving the targets. And there's still room for the
kind of flexibility that you're talking about in how we
achieve the goals.

Now, there obviously needs to be a lot of work
on, you know, what are these consequences for not
achieving the targets. I don't have the answer for you
today. But that's something that we need to work on and
grapple with. One part of the answer is using better --
more effective use of our existing state resources. And,
you know, we need to channel our state resources, our
transportation and housing and other resources, into
incentivizing the kind of smart growth development that we
desperately need, and using those resources -- tagging
those specifically for local governments that are doing
the kind of planning that we need to see to reach our air
quality and greenhouse gas reduction goals.

And it's so important also for the California
state budget to reflect these priorities. And that's, you
know, such a critical and very urgent priority right now.
As, you know, the Governor's budget currently -- or the
proposal in the May revise is to take over a billion
dollars from transit operations and put it into the
General Fund. You know, we need to stop this. This is
short sighted. It's inconsistent with AB 32. It's
working completely contrary to what we need to be doing
here.

Just another quick comment. Blueprints are very
important. I appreciate all the discussion of blueprints.
And, you know, SACOG has been a leader and we're, you
know, really pleased about that. But the blueprints, as
I've learned -- and I'm not an expert on this --
blueprints focus on densities. And obviously we have to have higher densities to support the kind of transportation alternatives we need. But we also of course need to focus beyond densities on design of development to promote the kind of pedestrian-friendly, transit-friendly, bike-friendly communities that we want. So, you know, blueprints are important. It's not all of the answer. It's a key step forward.

Indirect sources rules and other mechanisms are also very important to help local governments to be able to mitigate and to raise funds for future mitigation.

And I also just wanted to stress two final concluding points.

CHAIRPERSON NICHOLS: You're now on the third iteration of your two minutes.

MS. HOLMES-GEN: Oh, I know.

I mean lest this all seemed hopeless -- and I don't know if I have this exactly correct. I'll get you the exact statistic. But I've heard this many times, something to the effect of about half of the buildings that will be here in 2050 have not been built yet today. So I mean there is an ability to make a difference. There's a turnover of urban uses. And we have the ability, even though we are so built out, to make a difference.
And, finally, there are so many resources out there. It's amazing, as to local government and local government commission, so many groups have -- and I know ARB's working on your protocols. All of these resources are being developed, many are already out there, to help local governments measure their greenhouse gas emissions. I understand there's some free tools available now to help local governments to do that. There's a ton of resources on strategies, especially land use strategies and CEQA requirements that can be used by local governments.

And, you know, part of what I hope ARB will be doing will be to provide -- you know, be a clearinghouse and help to get that information out there and to provide or at least help to set up the ability at the state level to provide the kind of technical assistance that's needed at the local level.

So there's a lot more to say. But I hope I'm just expressing how important this is. We want to work with you on it. I, you know, urge you to make this a key priority in the scoping plan.

CHAIRPERSON NICHOLS: Thank you.

Without further ado, I think this item is concluded. We will -- unless you have any final remarks about what's going on.

EXECUTIVE OFFICER GOLDSTENE: No.

PETERS SHORTHAND REPORTING (916) 362-2345
CHAIRPERSON NICHOLS: Stay tuned, you know. This is going to be coming back before you at least as part of the June scoping plan.

EXECUTIVE OFFICER GOLDSTENE: I was just going to say, at our next Board meeting we'll be presenting a draft of the scoping plan. And we're going to -- also next week on the 28th we're having a workshop on AB 32.

BOARD MEMBER SPERLING: Do we act on the draft scoping plan, or it's just a review?

CHAIRPERSON NICHOLS: No, we actually approve it.

BOARD MEMBER SPERLING: We approve it?

CHAIRPERSON NICHOLS: We approve it.

EXECUTIVE OFFICER GOLDSTENE: Not in June. It will be extended for review.

CHAIRPERSON NICHOLS: We're going to act in the sense that we're going to agree to send it out.

EXECUTIVE OFFICER GOLDSTENE: Right. Yes, yes, yes, yes.

CHAIRPERSON NICHOLS: It will be a formal proceeding before the Board.

EXECUTIVE OFFICER GOLDSTENE: Right, right.

CHAIRPERSON NICHOLS: It doesn't go into effect. But I think the Board really needs to give it its blessing at that point.

I believe our formal business is concluded. We
do have time -- if there is anybody who wishes do make a
comment, any member of the public who has not spoken or
who has a comment on an item that was not on today's
agenda is entitled to come forward and address the Board.

Nobody indicated that they were planning to do so.

So we have only one other item before us, which
was not part of the agenda but which I'm placing on the
agenda at the last minute.

BOARD MEMBER LOVERIDGE: Madam Chair?

CHAIRPERSON NICHOLS: Yes.

BOARD MEMBER LOVERIDGE: Just one quick Board
comment, just a kind of request.

CHAIRPERSON NICHOLS: Board comment. Yes.

BOARD MEMBER LOVERIDGE: This is -- and we talked
a little bit about it at lunch. But it's the coverage of
the CARB Board meetings, is that they are live on web.
But there's no record of them, there's no library of them.
And if you want to go see them, you can't do that. And
one of the things that our city council, many of them, you
have a webcast, but there's a library of these and you can
pick out -- if I want to go to the Agenda Item 13, you can
see that item. You don't have to listen to 1 through 12.

And it seems to me that that would be helpful as a record
of what this Board does if at least there was some
retention and ability to get a specific time, a specific
agenda item from the --

CHAIRPERSON NICHOLS: You're right. This came up at the last Board meeting when we were addressed by a representative of the firm that was videotaping us about that issue. And he's I guess back today. And the question was asked. And I saw a memo about some of the concerns that had been raised in the past that indicated that the staff was willing to take another look at this. And I hope they are going to take another look at it and come back to us with a recommendation as to whether we should revise our policy on this issue. I don't see why we can't do that at our next Board meeting and make a decision on this one way or the other. It's not just a matter of this particular individual, but really a question of how we go about taking advantage of modern technology to make the public more aware of what we're doing.

But thank you for that reminder, Mayor Loveridge.

Yes.

BOARD MEMBER D'ADAMO: Well, I have a comment as well along those lines. I think that we have talked about this at a previous Board hearing. It's been kind some time though. And that is the ability of people to testify from remote locations similar to what the local district provides for here. And I believe that there were some
concerns about -- it wasn't just a technology issue. There were some concerns expressed by -- I think this was by Katherine Witherspoon, and it may have had to do with notice. I'm not certain. But staff was going to follow up on that.

EXECUTIVE OFFICER GOLDSTENE: I think we're almost ready to do that as long as we have the technological capability to do it. And we just have to make sure that the agenda notices clearly show where the remote sites are, and those sites have to remain open during the entire time of the meeting.

CHAIRPERSON NICHOLS: Yes. And I'm hoping that by the time of the June meeting that we'll in fact be in a position to do that.

STAFF COUNSEL JENNE: It's perfectly okay legally to have these teleconference locations. It's provided for in the Open Meetings Act. We just have to do the proper noticing and let people know that they can testify from the remote locations. And there's procedures we have to follow, but there isn't any legal problem.

CHAIRPERSON NICHOLS: It's also possible for Board members to be in remote locations as opposed to in one place. And while that is also legally possible, it's really undesirable. It's really not a good idea.

But in the interests of, you know, having a full
attendance at a meeting, if someone, you know, can be with us but they just can't get to where the location is, you know, for some good reason, I think it could be a solution. I wouldn't want to do it on a regular basis. But, anyway.

Okay. One last item before the Board. And that is that one of our staff members here today is celebrating I think it is -- I forget which anniversary of her 39th birthday it is.

(Laughter.)

CHAIRPERSON NICHOLS: My assistant, who at these meetings is always the person managing the visual aids and getting all those slides loaded, Cornetta Thompson, we just want to wish you a happy birthday.

(Applause.)

CHAIRPERSON NICHOLS: That's it. We're adjourned.

(Thereupon the California Air Resources Board adjourned at 3:26 p.m.)
CERTIFICATE OF REPORTER

I, TIFFANY C. KRAFT, a Certified Shorthand Reporter of the State of California, and Registered Professional Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing hearing was reported in shorthand by me, Tiffany C. Kraft, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing nor in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of June, 2008.

TIFFANY C. KRAFT, CSR, RPR
Certified Shorthand Reporter
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