Proposition 1B: Goods Movement Emission Reduction Program NOTICE OF AVAILABILITY OF FISCAL YEAR 2007-2008 FUNDS

Summary

The California Air Resources Board (ARB) is authorized to award grants for proposals totaling $221 million in Fiscal Year (FY) 2007-08 funds from local agencies that are involved in freight movement or air quality improvements associated with goods movement activities in California's four priority trade corridors. Over the next few years, ARB will administer a total of $1 billion in State bond funds authorized by Proposition 1B, approved by California voters in 2006, to reduce emissions and health risk from freight movement along these corridors. The Legislature appropriated the first installment of $250 million in FY2007-08 funds to ARB for this purpose.

ARB adopted Program Guidelines for Implementation of the Proposition 1B: Goods Movement Emission Reduction Program (Program Guidelines) in a public hearing on February 28, 2008. The Board also adopted a list of projects for $25 million in funding under the early grant program. With anticipated administration costs, ARB will award at a public hearing currently scheduled for May 22-23, 2008 the remaining $221 million in FY2007-08 grant funds to the most competitive projects proposed by eligible local agencies. The local agencies will then be responsible for providing match funds and other financial incentives via contracts to owners of equipment used in freight movement to upgrade to cleaner technologies, consistent with the Program Guidelines. The local agencies will also be primarily responsible for enforcing such contracts.

The Proposition 1B grant program will be administered by ARB pursuant to the adopted Program Guidelines. This Notice of Funding Availability (Notice) summarizes portions of the Program Guidelines related to the solicitation of proposals from local public entities. In the event of a conflict between this Notice and the Program Guidelines, the Program Guidelines shall control.

FUNDING PRIORITIES

Local agency proposals will compete within each trade corridor and funding category for the available monies, pursuant to the process and criteria specified in the Program Guidelines. To help ARB select projects and determine the funding levels, the Program Guidelines identify funding targets for the four trade corridors and source categories, as well as priorities for expenditure of FY2007-08 funds. As noted, Proposition 1B authorizes $1 billion total, which includes funds for all local and State administration costs; ARB has determined that the $1 billion should be awarded according to the following funding targets:

Dollars	By Trade Corridor
$550 million:	Los Angeles/Inland Empire trade corridor
$250 million:	Central Valley trade corridor
$140 million:	Bay Area trade corridor
$ 60 million:	San Diego/Border trade corridor

Dollars	By Source Category
$400 million:	Heavy duty diesel trucks serving seaports and intermodal rail yards.
$360 million:	Other heavy duty diesel trucks that haul goods, plus any truck stop or distribution center electrification.
$100 million:	Diesel freight locomotives.
$100 million:	Shore power for cargo ships at berth, plus cargo handling equipment used at a port or intermodal rail yard.
$ 40 million:	Commercial harbor craft.

Priorities for FY2007-08 Funds

- Eligible projects that can quickly begin implementation and deliver air quality results;
- Truck retrofit projects to add diesel particulate filters for immediate, broad scale and cost-effective risk reduction in many communities; and
- Port truck replacement projects in the Los Angeles/Inland Empire corridor to support the Ports of Los Angeles and Long Beach clean truck tariff programs.

AGENCY AND PROJECT ELIGIBILITY

Local Agency Eligibility

Applicants must satisfy three criteria to be considered a local agency eligible for funding in this Program. First, they must be a "local public entity," which is defined to include a county, city, district, public authority created by statute, public agency, and any other political subdivision in the State. Second, local public entities must be involved in the movement of freight through trade corridors or involved in air quality improvements associated with goods movement. Third, local public entities must have the legal authority and resources to run a regional scale incentive program that includes sources outside their geographic jurisdiction.

Note: Since grant applications require an extensive investment of time and resources by the local public entity, we strongly encourage each local public entity to consult early and often with ARB staff regarding the local entity's ability to meet all applicable Program Guideline and statutory requirements for qualifying as a local agency.

Project Eligibility

Appendices A-G of the Program Guidelines detail the proposed equipment project options within each source category for FY2007-08 funds, including upgrade specifications, funding caps, minimum project life, and key operating conditions. Local agencies can choose to propose projects for one or more source categories, including

all of the options or just a subset of those options, to best address the air pollution problem in that corridor. Local agencies may also choose to propose allowable project alternatives as specified in Chapter III.B.2.a-d. of the Program Guidelines.

APPLICATION PROCESS

Community Meeting

Prior to the submittal of the project application, the local public entity must hold at least one community meeting in the trade corridor to solicit public input on the source categories and equipment project options to be addressed by the proposal(s).

Registration

The application process begins with email registration to gain access to ARB's on-line database. Once an applicant is successfully registered, the applicant must submit a detailed application that satisfies the requirements of the Program Guidelines.

Registration instructions are on the Program web site http://www.arb.ca.gov/gmbond. Local public entities must fill out the information listed under "Registration" and submit it via electronic mail to gmbond@arb.ca.gov no later than 5:00 PM, **March 21, 2008**. As part of the registration, the local public entity will provide its qualifications for eligibility as a local agency.

After verifying that the applicant qualifies as a local public entity, ARB will e-mail the local public entity the application instructions, along with a username and password. Because local public entities must successfully register prior to submittal of an application, they are strongly encouraged to register as early as possible.

Application and Availability of Program Guidelines and Supporting Documents

Qualifying applicants shall follow the application instructions on the Program web site http://www.arb.ca.gov/gmbond, which summarizes and contains all the requirements of the Program Guidelines for preparation and submittal of grant applications, along with all other supporting documents, instructions, and forms.

Applicants must submit one completed local agency project application packet for each source category for which they are requesting funds.

Application Deadline and Submittal

Two complete paper copies of each local agency's application packet(s), including all necessary attachments and approved resolutions or letters of authorizations, shall be submitted with an original signature by an authorized local agency representative, along with one electronic version of the complete application packet(s). The complete paper copies and electronic version of the complete application **must be received by the**

ARB no later than 5:00 p.m. on April 4, 2008. Applications postmarked or received after 5:00 p.m. on April 4, 2008 will not be accepted and will be returned to the applicant. Only mailed or hand-delivered (along with the emailed version as noted above) applications will be accepted. No faxed applications will be considered.

Please mail hardcopy applications to:

Goods Movement Emission Reduction Program
Planning and Technical Support Division
Air Resources Board
Standard U.S. Mail: P.O. Box 2815, Sacramento, CA 95812
Other Delivery Services: 1001 I Street, Sacramento, CA 95814

Please email the electronic copy to:

gmbond@arb.ca.gov

All application information shall be provided or the application shall be considered incomplete. Updates to any application information after the submittal deadline shall only be allowed on a case-by-case basis, at the sole discretion of authorized ARB staff in ARB's goods movement program.

Tentative Schedule of Proposal and Award Process:

Notice of Funding Availability	March 12, 2008
Registration as a Local Public Entity	March 21, 2008
Deadline to Submit Proposals	April 4, 2008
Approval of Awards at ARB Board Hearing	May 22-23, 2008

QUESTIONS

For questions, please contact: (916) 44-GOODS (444-6637) or gmbond@arb.ca.gov.