



Terry Tamminen
Agency Secretary

Air Resources Board

Alan C. Lloyd, Ph.D.
Chairman

1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov



Arnold Schwarzenegger
Governor

August 31, 2004

Dear Sir or Madam:

The Air Resources Board (ARB/Board) invites you to participate in a public workshop to discuss proposed amendments to the nonvehicular source, consumer products, and architectural coatings fee regulations. The amendments are necessary to implement provisions of the fiscal year (FY) 2004-2005 budget that shifts an additional \$2.6 million from the ARB's General Fund support to fees. The workshop is scheduled as follows:

Date: Tuesday, September 14, 2004

Time: 1:30 p.m. to 3:30 p.m.

Location: Air Resources Board
Monitoring and Laboratory Division
1309 T Street
Sacramento, California 95814

For FY 2003-2004, to partially offset a General Fund reduction, the Legislature authorized the ARB to collect \$17.4 million in fees, which resulted in a cost-per-ton of approximately \$86.50. The FY 2004-2005 budget was enacted with a \$2.6 million increase to the AB 10X fees authorized by the Legislature for FY 2003-2004, making the total assessment \$20 million for this year. The proposed fee increase offsets a \$2.6 million reduction to the General Fund support for the ARB.

The Board approved the existing regulations in July 2003. The regulations assessed fees on large nonvehicular sources (facilities) and large manufacturers of consumer products and architectural coatings. The full text of the existing regulations can be found on the ARB's web site: <http://www.arb.ca.gov/regact/feereg03/feereg03.htm>.

The ARB staff is proposing to assess the entire \$2.6 million increase on large facilities that emit 250 tons or more per year of nonattainment pollutants or precursors. Based on the emissions data for FY 2004-2005, we estimate the supplemental fee to be approximately \$23.00/ton. The final fee is subject to change pending confirmation of emissions subject to the fees. The remaining \$17.4 million in fees would continue to be collected on a uniform basis as specified in the existing regulations. The Board is tentatively scheduled to consider the proposal at its November 18, 2004, public hearing.

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our Website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

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At the workshop, ARB staff will present an overview of the modifications to the existing fee regulations. A copy of the proposed regulation is attached. At least 45 days before the hearing, the ARB staff will post the staff report and proposed regulation on the web site at: http://www.arb.ca.gov/emisinv/nscpac_fees/nscpac_fees.htm.

The workshop will also be available through an internet webcast at the following address: <http://www.calepa.ca.gov/broadcast>. You may send questions on-line during the workshop by e-mail to onair@arb.ca.gov. The workshop title should be placed in the subject line, followed by your question in the body of the e-mail. To participate by teleconference, please call 1-888-889-6348, using the pass code FEES. The leader for the call will be Ms. Sue Wyman.

If you have special accommodation needs that cannot be met by attending the workshop via the webcast site shown above, or if you have language needs, please contact Ms. Wyman at (916) 445-9477 or by e-mail at swyman@arb.ca.gov, as soon as possible. TTY/TDD/Speech-to-Speech users may dial 7-1-1 for the California Relay Service to attend the workshop by telephone.

Sincerely,

Robert D. Fletcher, Chief
Planning and Technical Support Division

Attachment

cc: Mr. Don Rake, Air Pollution Specialist
Emissions Inventory Analysis Section
Planning and Technical Support Division
Air Resources Board

Mr. Michael FitzGibbon, Manager
Emission Inventory Analysis Section
Planning and Technical Support Division
Air Resources Board

Ms. Sue Wyman, Air Pollution Specialist
Environmental Justice Section
Air Resources Board