CALIFORNIA TRUCKING ASSOCIATION

November 23, 2007

Mary Nichols, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Dear Ms. Nichols:

The California Trucking Association (CTA) herein offers its comments on the Initial Statement of Reasons (ISOR) for the Proposed Regulation for Drayage Trucks.

I. Summary

CTA considers the analysis offered by ARB staff in the Drayage ISOR to be implausible due to methodological shortcomings which include the use of improbable predictions, the omission of key issues and misuse of the E-DRAM model. The result is a highly misleading analysis that underestimates the costs of the rule and overestimates its cost-effectiveness.

The analysis provided to the board depends heavily upon predictions of outcomes that ignore contradictory information, omit key data or claim knowledge with no empirical support. The result is an analysis that depends upon the predication of outcomes that are presented as if they were certain when they are, in truth, highly uncertain.

A responsible analysis would attempt to bound the uncertainty caused by the inability to predict. Instead, ARB staff all but ignores the implausibility of its predictions, other than to occasionally caution that if they turn out to be untrue, the impact of the rule will be different. However, ARB staff never discusses the impacts of the rule if its predictions are not correct.

Among the important examples of this failure to acknowledge and address critical uncertainties:

- **Uncertain and Likely Unfavorable Impact on the Net Cost to Drayage Operators of Increased Demand for MY 2007 and Newer Trucks** ARB staff has failed to reflect the impact of the increased demand for MY 2007 and newer trucks on the prices of those trucks that is likely to be caused by the concurrent impact of the drayage rule and proposed statewide fleet rule. This despite the fact that ARB staff has advised truck owners that, under both the drayage rule and the proposed statewide fleet rule, "If your truck is MY 2006 or older, you will need to replace it with a MY 2007 or newer truck by Dec. 2013[1]. Instead, staff depends upon a simplistic cost

[1] Pending California Requirements and Incentive Programs for Cleaner Trucks, Presentation by Cynthia Marvin, Assistant Division Chief, Planning and Technical Support, California Air Resources Board, DMV Motor Carriers, Sacramento, CA, November 8, 2007, pg. 19.

prediction model that merely reflects current truck price depreciation. ARB staff disclaims responsibility for considering the impacts of demand as being "beyond the scope" of the analysis[2].

- **Uncertain and Unlikely Ability of Drayage Operators to Pass Through Higher Costs** According to the recent economic analysis of the port drayage industry, commissioned by the San Pedro Bay Ports and authored by Dr. John Husing, drayage operators have virtually no capacity to pass through costs[3]. What is surprising about this ISOR is the failure of ARB staff to inform the Board about this fact when it is clear that they are quite familiar with the Husing report[4]. Indeed, an ARB staff caution <u>that is buried in an appendix</u> says that that "in the absence of their ability to pass on the cost of compliance with the proposed regulation, many operators may leave the drayage profession altogether, or take their business elsewhere.[5]" However, staff doesn't attempt to analyze the consequences of this eventuality, leaving the impression that it is so unlikely, it merits no assessment. Instead, ARB staff repeatedly employs the "cost pass-through" assumption in its analysis. A plausible analysis must consider the outcome that could result from the inability to pass through costs.

- **Uncertain and Unlikely Ability of Remaining Drayage Operators to Make Up for Significant Capacity Lost Due to Operators Being Driven Away or Out of Business** ARB staff claims that any loss of drayage operators will be a business opportunity for remaining drayage operators but provide no supporting analysis that remaining operators, who already work to the limit of their federally permitted hours of service, will be able to pick up the slack. For the staff assumption to be true, however, the remaining drayage operators must have sufficient excess capacity to compensate for 1) the 30 percent loss of capacity caused by the rule's exclusion of "infrequent" drayage operators "for whom the expense of complying with the regulation is not economically justified"[6]. 2) the expected loss of between 15 and 22 percent of drayage drivers due to the pending imposition of federal TWIC requirements[7]. 3) the need for an additional 3,900 to 5,200 drayage operators due to shipment growth[8], despite the fact that the unsubsidized costs of the rule would create an unprecedented barrier to entry for new drayage operators. The fact is that the impact of the rule on the effective capacity of the drayage fleet is highly uncertain. Yet, the significant possibility that the rule may abruptly and significantly diminish

[2] Technical Support Document, pg. 110
[3] Husing: http://www.polb.com/civica/filebank/blobdload.asp?BlobID=4397
[4] Appendix C, page C17 cites the Husing study as does footnote 1 on page C3.
[5] Appendix C, pg. C6.
[6] Appendix, C5
[7] Husing, Op. Cit., Executive Summary, pg. iii.
[8] Technical Support Document, pg. 44.

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Chair

the size of the available work force should raise concerns about the rule's potential to impede the movement of cargo through the state's ports and have an adverse impact on the capacity of state's truck drayage system, its drayage owner-operators and the economy of California.

The ARB staff's methodological approach also masks the concentrated economic impact of the rule on low income, predominantly Hispanic and minority small business owners. These individuals do not have the educational background, mobility, or economic opportunities to achieve a comparable point of entry into the economy if their trucks are declared illegal and they must face high, unsubsidized costs to purchase compliant vehicles. Their limited financial capabilities place them a paycheck away from economic disaster. It is they who will be asked to bear the burden of the uncertainty that has been ignored in this analysis.

Given the vulnerable economic circumstances of drayage operators and the substantial costs that they will have to face under this rule, it is essential that public financing provision associated with Proposition 1B be considered at the same time as the drayage rule. Unfortunately, ARB staff has scheduled adoption of this rule before the details of those financing provisions are known. Yet the adequacy of public subvention is the key question affecting the feasibility of the rule. Moreover, it is clear that the vast majority of costs, those associated with the NOx portion of the rule, will not be fully covered under the current draft plan.

II. Deficiencies in the ISOR Analysis

A. The ISOR Fails to Consider the Impact of Increased Demand on Replacement Truck Prices ARB staff has failed to reflect the impact of the increased demand for MY 2007 or newer trucks on the prices of those trucks that is likely to be caused by the concurrent impact of the drayage rule and proposed statewide fleet rule. This despite the fact that ARB has advised truck owners that, under both the drayage rule and the proposed statewide fleet rule, "If your truck is MY 2006 or older you will need to replace it with a MY 2007 or newer truck by Dec 2013[9]. Instead, ARB staff disclaims responsibility for considering the impacts of demand as being "beyond the scope" of the analysis[10].

Staff's "confidence" that there will be adequate numbers of used trucks is not supported by any quantitative or qualitative evidence. In fact, there is no record in Appendix E:

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[9] Pending California Requirements and Incentive Programs for Cleaner Trucks, Presentation by Cynthia Marvin, Assistant Division Chief, Planning and Technical Support, California Air Resources Board, DMV Motor Carriers, Sacramento, CA, November 8, 2007, pg. 19.

[10] Technical Support Document, pg. 110

Record of Staff Conversation and Public Outreach[11] that ARB staff even consulted with knowledgeable parties regarding the availability of trucks in 2013. Instead, staff expresses its "confidence" that viewed from a national perspective the supply of vehicles to meet drayage standards will be adequate. However, as noted earlier there is no mention of the impact of the pending California statewide private fleet rule on the demand for compliant trucks that meet 2007 truck emission standards.

The simplistic cost prediction model used by ARB staff, and discussed in Appendix D, cannot reflect the impacts of demand on price because it is merely a reflection of current truck price depreciation and contains no demand elements. It is unable to assess the impacts on prices of the demand caused by the need to replace a substantial percentage of the drayage fleet, the additional trucks needed to meet increased freight volumes and the parallel demand increase that will result from the statewide rule that is under preparation. Contrary to the disclaimer by ARB staff, a plausible analysis must take into account the impacts on truck demand of ARB's own rules.

B. The Residual Market Value of Replaced Non-compliant Trucks is Implausibly High The ARB staff cost analysis assumes that drivers will recover $5421 from the sale of their non-complaint trucks, basing the estimate on an arbitrary 50 percent of the average expected cost of a vehicle with 5 years useful life remaining, and therefore subtracting that amount from the assumed cost ($38,437) that truck owners would actually face. However, in the run up to the onset of regulation, there will be no California market for non-compliant trucks so truck owners will be unlikely to realize much value from selling the 2006 and older trucks they must replace. Although these trucks may retain some value in other states, the impact of putting tens of thousands of 2006 and older trucks on the used truck market and the transaction costs of taking the trucks to other states to sell or paying some one to do so will substantially reduce their net value. A plausible analysis needs to reflect this possibility.

C. Costs Annualized Over the Residual Economic Life of Equipment Do Not Realistically Portray the Actual Costs That Drayage Operators Will Face Although the ARB staff measure of annualized cost over the economic lifetime of the purchased truck may be appropriate in some circumstances, this type of measure significantly under represents the actual costs that drayage operators will face and creates a misimpression of affordability when the opposite is the case.

Owner-operators will face the costs established by their ability to borrow which is dependent upon their income and credit history. If they qualify for a loan it would typically be for a five year period, not the remaining economic life of the vehicle. A

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[11] Appendix E.

$33,000[12] purchase financed over five years at 15 percent interest would have an annual cost of $9,420.00. This amount is over 25 percent of what ARB staff claims is the typical average drayage operator's net annual income.

Moreover, a 15 percent interest rate would be a lower bound rate for drayage truck purchasers. According to TIAX, administrator of the Gateway Cities truck retrofit program[13], interest rates up to 25 percent have not been uncommon for drivers financing costs not covered by the Gateway Cites program. If 25 percent is used as the discount rate for at least some portion of the drayage community, the annual cost of a $33,000 purchase would be $11,620, over 31 percent of a driver's average annual income.

ARB staff has also used average costs to create a misimpression of affordability. For example, ARB staff asserts that the cost of Phase I will average $3,700/year over the four year period between 2009 - 2012. However, this average includes the cost of acquiring a retrofitable vehicle, a $21,000 cost that will be faced by 8,300 or 28 percent of drayage operators[14].

At 15 percent interest and financed over a four-year period, these operators will face an annual outlay of over $7000, over 20 percent of a drayage operator's average annual income. For these drayage operators, the $3,700 average estimate is misleading and fails to convey the true scale of the economic barrier in Phase I that will be faced by a significant subset of drayage operators.

Moreover, no public funding for these particular vehicle replacement costs is under consideration.

D. Drayage Operators Have No Ability to Pass Through Costs

According to a recent economic analysis of the port drayage industry, commissioned by the San Pedro Bay Ports and authored by Dr. John Husing, drayage operators have virtually no capacity to pass through costs[15]. What is surprising about this ISOR is the failure of ARB staff to inform the CARB board about this finding when it is clear that they are quite familiar with the Husing report[16].

The Husing report states, "As the port drayage sector is currently organized, neither the LMCs nor their IOOs have the financial strength to solve the new challenges facing them. The lack of barriers to entry into the sector has led to ferocious price competition and left

[12] This is the staff estimated net cost. However, this cost should be considered a lower bound since it does not include the impact of demand on the price of MY 2007 or newer used trucks and includes an improbably high residual value for replaced non-compliant trucks.
[13] Jon Leonard, Principal, TIAX LLC., Personal Communication, January 18, 2007.
[14] Appendix C, pg. C8.
[15] http://www.polb.com/civica/filebank/blobdload.asp?BlobID=4397
[16] Appendix C, pg. C17 cites the Husing study as does footnote 1 on page C3.

them with little bargaining power vis-à-vis the shipping lines and beneficial cargo owners for whom they work. This has left the firms in the sector with low net incomes and little net worth. Thus, the LMCs do not have the internal ability to pay more to IOOs to lure them into the field. Neither do the LMCs or the IOOs have the ability to self-fund the clean-up of the trucking fleet.[17]"

Indeed, an ARB staff caution that is buried in an appendix and not reiterated in the summary ISOR says that that "in the absence of their ability to pass on the cost of compliance with the proposed regulation, many operators may leave the drayage profession altogether, or take their business elsewhere.[18]"

However, staff doesn't attempt to analyze the consequences of this eventuality, leaving the impression that it is so unlikely, it merits no assessment. Instead, ARB staff repeatedly employs the "cost pass-through" assumption in its analysis. A plausible analysis must consider the outcome that could result from the inability to pass through costs.

E. The ISOR Does Not Adequately Assess the Possible Impacts of the Rule on the Population of the Drayage Fleet and Its Ability to Move Cargo

It is uncertain how drayage operators will respond to the proposed rule. Yet, this significant issue is glossed over and given no serious treatment in the ISOR. However, the prospects that the rule may diminish the size of the available work force raise significant concerns about the rule's potential to hinder the movement of cargo through the state's ports. It is abundantly clear that in the absence of an adequate drayage population, cargo will back up, ships and trains will wait for days to be loaded and unloaded, and the economy of California and the rest of the nation will be severely impacted.

ARB staff treats the prospect of a loss of drayage operators as an opportunity for those drayage operators who remain. However, ARB staff provides no analytical support for the reality or likelihood of this assumption. For example, for the staff assumption to be true, the remaining drayage operators must have sufficient unused, excess capacity to offset the loss of capacity caused by departing operators. However, there are good reasons to doubt the existence of this excess capacity.

Drayage drivers are subject to federal hours of work regulations that limit the number of hours they can spend behind the wheel. According to a number of surveys, drayage operators already average over 50 hours per week, leaving little time available to make more trips. This is true for all drayage operators, including frequent, semi frequent and infrequent, regardless of how many trips they make to the ports.

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[17] http://www.polb.com/civica/filebank/blobdload.asp?BlobID=4397
[18] Appendix C, pg. C6.

Moreover, the categorization of a drayage operator as semi-frequent or infrequent means only that drayage is a smaller part of their total work portfolio, not that they have the capacity to make more port visits.

Thus, staff's assumption that the drayage activities of infrequent drayage operators "for whom the expense of complying with the regulation is not economically justified"[19] will be absorbed by remaining drayage operators is not supported by any confirmation that the remaining frequent and semi-frequent drayage operators have the capacity to absorb the 30 percent[20] of all container moves that infrequent port visitors now account for.

Similarly, it is highly uncertain whether the entire cohort of "so-called" semi-frequent operators and frequent operators will choose to incur the costs to purchase compliant trucks and remain in the drayage fleet. One must merely look at the conditions that will be imposed on those drayage operators who accept public subsidies of their equipment, specifically those conditions that require them to remain in drayage service for a designated period or to purchase their 2007 trucks by 2010, to know that many will not choose to accept those terms. Yet this prospect is not recognized or analyzed. Instead, the entire cohort is assumed to remain in the fleet.

In addition, the pending imposition of federal TWIC requirements is expected to result in the loss of between 15 and 22 percent of drayage drivers[21].

Furthermore, cargo growth at the ports is expected to result in a need for an additional 3,900 to 5,200 drayage operators[22]. However, for these new entrants, the rule would act as an unprecedented barrier to entry as they would face significant unsubsidized costs to become drayage operators. Thus, the ability of the drayage fleet to grow and meet increased freight demand would further impair its capacity to move cargo.

Finally, it should be noted that licensed motor carriers are already struggling, in the face of a nationwide driver shortage, to hire drayage operators.

In the face of this list of concerns, it would seem imprudent for the Board to accept the rosy prospect that the rule will have no impact on the adequacy of the drayage fleet to move cargo through the state's ports.

The prospects for this rule to hinder cargo movements are too significant for the ARB staff to omit this issue from its analysis. Such a rule-induced shortage would impair the

[19] Appendix C, C5
[20] Technical Support Document, pg. 38.
[21] Husing, Op. Cit., Executive Summary, pg. iii.
[22] Technical Support Document, pg. 44.

movement of cargo and result in a backup of ships and containers at marine terminals. If such a shortage materialized, it would have a significant negative impact on the California economy with a resulting loss of jobs and harm to businesses throughout the state.

The Board should require ARB staff to conduct the appropriate analysis of the potential impacts of the rule on the capacity in the drayage fleet and propose actionable provisions in the rule to ensure that the rule does not disrupt or hinder the flow of cargo.

F. The ARB staff's E-DRAM Analysis Misestimates the Impact of the Regulation on the California Economy E-DRAM is a computable general equilibrium (CGE) model that, according to its developer Peter Berck, was developed to analyze "the effects of California taxation[23], a purpose that justifies its use by the California Department of Finance but raises questions about its use by ARB to measure the future economic impact of its regulations.

Wing in his well regarded review of CGE models notes that CGE models can be thought of as a "pseudo-empirical tool" to assess the impacts of policy distortions. However, he claims that CGE models "should properly be regarded as computational laboratories within which to analyze the dynamics of the economic interactions from which these impacts arise[24]." According to Wing, the problem with using CGE models for policy impact analysis is that "the analysis does not account for the linkages between simulation results and the characteristics and assumptions of the models that generate them.[25]"

A characteristic of the E-DRAM model that influences its assessment of the drayage rule is the model's requirement of an annualized cost pass through[26]. Since it is uncertain whether drayage operators will be able to pass through their costs, the cost pass through provisions of the model raise an issue about the fundamental validity of the E-DRAM analysis of the drayage rule.

Another problem with ARB's E-DRAM analysis is that staff's estimate of the costs of regulation understates some costs and excludes other costs that will be caused by the regulation. According to the staff account, "The inputs used in this E-DRAM analysis represent the range of total annualized regulatory costs for the year with the greatest potential for adverse impact on affected businesses.[27]" However, as noted earlier,

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[23] Dynamic Revenue Analysis for California, P. Berck, E. Golan and B. Smith with J. Barnhart and A. Dabalen, Summer, 1996, pg. 1.
[24] Computable General Equilibrium Models and Their Use in Economy-Wide Policy Analysis, *Ian Sue Wing,* MIT Joint Program on the Science and Policy of Global Change, Technical Note No. 6, September 2004, pg. 15.
[25] Ibid.
[26] Technical Support Document, pg. 124.
[27] Technical Support Document, pg. 123.

annualized costs severely underestimate the actual costs faced by drayage owners since actual costs will be determined by their ability to borrow. Since the E-DRAM analysis only assesses the impact in a specific year, it is particularly important to ensure the costs for that year have the correct magnitude.

The costs of retrofitting and replacing vehicles are not the only costs that the analysis should include. The rule expects its provisions to result in the elimination of drayage operators who account for about 30 percent of all container moves. The adverse economic impact of their exclusion should be reflected in the analysis. These costs should also be included in cost-effectiveness calculations.

III. The Rule Will Impose a Disproportionate Impact on Lower Income Communities with Limited Economic Opportunities

Port Drayage operators constitute a stable labor population with deep roots in their local communities. Over 90 percent of drivers in the San Pedro Bay Ports region, where 75 percent of all port drayage vehicles are located, are Hispanic. The average drayage operator is 41 years of age, has 10 years commercial driving experience and 8 years of drayage experience[28]. Over 99 percent are male, approximately 80 percent are married and the average driver's family has over 2 children[29]. ARB staff estimates the average annual income of a typical drayage operator in Oakland at $33,212 and in the Ports of Los Angeles and Long Beach at $42, 173[30]. This places them in the economic class known as the working poor[31].

The modest educational attainment of most drayage operators limits their economic opportunities. Over one-third of drivers report that their terminal level of education was a high school diploma, 15.9 percent stopped their education before high school, 17.4 percent had some high school education (but no diploma), 5.8 percent hold a vocational or technical degree, 5.8 percent hold an Associate's degree, 17.4 percent report attending some college, and 2.9 percent hold a college or post baccalaureate degree[32].

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[28] Second Survey of Port Driver Attitudes on PierPASS OffPeak Program, California Trucking Association, Stonebridge Associates, March 8, 2006.
[29] A Study of Drayage at the Ports of Los Angeles and Long Beach, Kristen Monaco and Lisa Grobar, Department of Economics, California State University Long Beach, December 15, 2004
[30] Technical Support Document, pg. 121
[31] The estimated incomes are as high as they are only because ARB staff assumes that a typical Port Drayage truck travels 7 miles per gallon of fuel, an improbably high level of fuel efficiency considering the age and duty cycle of the typical drayage vehicle. Husing, et.al., in its survey of drayage operators found a value of 5 miles per gallon. Drayage operator incomes are highly sensitive to the fuel efficiency of their vehicles. At 5 miles per gallon, ARB staff's estimated annual fuel bill balloons from its current estimated value of $20,691 up to $28,967, a difference of $8,276.
[32] Monaco and Grobar, Op. Cit.

It would be incorrect to describe what these men do as participating in the "drayage profession," as ARB staff has, in describing their economic opportunities[33]. Professions describe the class of work engaged in by professionals who are required to possess a large body of knowledge derived from extensive academic study. What qualifies these men to work in drayage is their ownership of a truck. Without a truck, they are unemployed. The proposed rule will render their trucks useless.

The proposed rule is unrealistic in its expectations regarding how drayage operators will respond to the proposed rule, especially its NOx provisions that require drayage operators use only 2007 or newer vehicles by the end of 2013. In the presence of confusing choices and the prospects of having to take on years of debt to remain in a vocation that does not support a high standard of living, drayage operators will review those options and in many cases leave drayage.

ARB staff notes in its economic analysis that "These workers therefore do have a limited ability in how much of the increase in compliance costs that result from the proposed regulation can be sustained in their business. Staff further believes that the increased compliance costs may be eventually passed on to shipping lines / companies who contract with motor carriers, who in-turn may pass on the costs to their customers in the form of increased shipping / freight rates.[34]" However, the expression "may eventually" pass on compliance costs means there is uncertainty about whether they will be able to. It does not justify the ARB staff assumption that they "will be able to" pass on compliance costs.

Staff expresses its confidence that "the 2013 compliance requirements are attainable and that sufficient lead-time has been provided for industry (sic) to generate a solution (e.g. drayage rate structure changes) that would enable truck owners to afford compliance.[35]" However, there is nothing in the staff's analysis that assesses the potential reaction of drayage operators to the proposed regulation so what they will actually do and how they will respond to the confusing situation that currently characterizes expectations in the ports is highly uncertain. It would not be prudent for the Board to accept ARB staff's unguarded optimism as the basis for its actions.

IV. The Rule Needs to Be Considered Concurrently with Proposition 1B Public Financing Proposals

Given the vulnerable economic condition of drayage operators and the substantial costs that they will have to face under this rule, it is essential that public financing provision associated with Proposition 1B be considered at the same time as the drayage rule to ascertain that those financial provisions ensure that the rule will be feasible.

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[33] Appendix C, pg. C6 and Appendix D, pg. D15.
[34] Appendix C, pg. C9.
[35] ISOR, pg. 21.

In addition, given the large uncertainties not addressed in ARB's analysis, any conditional financial provisions that ARB proposes to address the potential consequences of these uncertainties must be made before the fact, when funds are available, rather than after the fact when funds have already been encumbered.

Unfortunately, ARB staff has scheduled adoption of this rule before the details of those financing provisions are known. This is not an acceptable process for moving forward. Continuing along this path could lead the Board into assuming incorrectly that there will be sufficient public funds available to offset the cost drayage operators will have to bear. However, the only available public draft of financing provisions did not cover several extremely significant costs.

For example, there is no provision to cover the estimated $21,000 cost[36] of 8,300 replacement vehicles that can be retrofitted with DPTs for Phase I and there is no provision to fully cover the even more costly $33,000 purchase of 32,000 2007 or newer vehicles by the end of 2013 for Phase II. Instead, the deadlines for action to receive public funds are far earlier than the regulatory deadlines, a factor that will substantially increase the cost of acquiring a compliant vehicle and decrease the likelihood that an adequate number of compliant vehicles will be available when the rule goes into effect. These are significant concerns that cast doubt on the feasibility of the both the DPT and NOx provisions of the rule.

V. Recommendations

CTA requests that the Board consider the following recommendations. Specifically, the Board should:

- Delay the Drayage Rule proceeding and schedule its review after consideration of Proposition 1B Public Financing Proposals.
- Refrain from adopting the Drayage Rule until the Board has ensured that public funds will be available for all phases and provisions of the rule.
- Direct ARB staff to perform a used truck price forecast, taking demand factors into consideration, and assess the impact on MY 2007 or newer truck prices of the concurrent drayage and statewide private fleet rule.
- Direct ARB staff to assess the impacts of the rule in the event that drayage operators are unable to pass through costs.
- Direct ARB staff to assess the potential impacts of the rule on the population of the drayage fleet and its ability to move cargo unhindered by the impact of the rule.
- Direct ARB staff to present costs as they will be experienced by the small businesses affected by the rule including costs that are currently annualized and costs that are not currently included such as the costs to drayage operators of being forced out of the drayage business.

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[36] Appendix C, pg. C8.

- Direct ARB staff to reassess the rule's cost-effectiveness and feasibility in the context of the uncertainty regarding key issues and costs.
- Direct ARB staff to specify exactly how it would monitor the sufficiency of the drayage fleet and timely ensure that drayage operations would not suffer.
- Direct ARB staff to specify what measures it would ask the Board to adopt in the eventuality of a negative impact to drayage operations and include these specific measures in the rule.

CTA supports action by Board to improve the air quality performance of trucks in drayage and throughout the state. Those improvements, however, should not be achieved at the expense of some of the state's more economically vulnerable citizens. ARB staff's incomplete analysis would bring about such an action.

The public relies upon the Board to guard the integrity of its regulatory process and ensure that the information it uses to make regulatory decisions meets a high standard. Such a standard has not been met for this rule. CTA requests that the Board take appropriate actions to ensure it has the information it should have to inform its actions.

Sincerely,

Eric Sauer
Vice President Policy Development
California Trucking Association

cc: Daniel Sperling, CARB Board Member
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