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December 14, 2010

Chair Mary Nichols and Members of the Board California Air Resources Board P. O. Box 2815 Sacramento, California 95812

Subject: Impacts of Changes to the On-Road and Off-Road Diesel Regulations

Dear Chair Nichols and Members of the Board:

Thank you for taking the time to meet with Assemblymember Wes Chesbro and Mendocino County Air Quality Management District Board Chair, Carre Brown, on September 29, 2010.

As was discussed at that meeting, the District Board is concerned about the synergistic impact of ARB regulations, grant program restrictions, and specific economic, regulatory and geographic factors relating to Mendocino County. To date, the diesel regulations have resulted in a disproportionate impact on Mendocino County businesses and residents.

Equipment Use/Lifespan

Equipment in Mendocino County tends to be used less than equipment elsewhere in the state. This is a result of –

- A local economy dependant on struggling resource industries.
- Regional Water Board regulations which limit the off-road work season to 155 days a restriction only present on the North Coast.
- The geographic remoteness of the County from most of the economic drivers of the modern California economy.

As a result of the above, equipment in Mendocino County has much lower usage than other areas of the state. This lower usage results in longer equipment lifespans due to economic factors. This lower usage equipment is –

• More subject to ARB regulations which target the older equipment first (irrespective of usage).

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• Not competitive or even eligible for grant dollars because of low usage or regulatory requirements (grants cannot fund compliance).

The District is also concerned about the potential side effects of the on-road regulations on the availability of water trucks for dust suppression and wildland firefighting. Frequently, water trucks are the oldest vehicles in trucking and construction fleets. The regulation may result in the retirement of a large number of these vehicles statewide, which in turn will limit dust suppression and firefighting capabilities.

Lack of Grant Funding

In addition, major grant programs, <u>particularly the large amount of 1B funding</u>, is focused exclusively on more populated areas of the state. Mendocino County equipment is ineligible strictly because of geography.

Besides the IB Program, equipment in Mendocino County is also not eligible for the following programs –

- EPA Clean Diesel Campaign (no funding for Ozone attainment areas)
- CMAQ Funding (no funding for Ozone attainment areas)
- ARB's AQIP (AB 118) does not provide funding for projects in Mendocino County (ozone status)

The total amount of grant funding available for private diesel projects in Mendocino County is \$180,000 annually in Carl Moyer Program funding. Although more funding is technically available from the Carl Moyer Program, the District lacks the available matching funds to receive its full allocation from ARB. The District also expends a small amount of AB 923 funding (enough for less than one bus per year) for school bus projects in Mendocino County.

While the Air Resources Board is not considering changes to the Grants Programs until a later date – it is critical that these changes are closely coordinated with the changes before the Board today. Any changes made in March 2011 will not have any effect until projects are approved for funding in the spring of 2012 at the earliest (Year 14 of the Carl Moyer Program).

The District Board is requesting that ARB consider ways to expand the benefits of the 1B and AB 118 programs to cover equipment in Mendocino County.

Out of County Trips

While ARB staff has created specific language that creates exemptions for equipment that operates exclusively in areas like Mendocino County, there is some uncertainty about how this will function in cases where out-of-county travel is incidental.

• There are multiple parts of Mendocino County which are only accessible by entering into neighboring Counties.

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• One of the largest local destinations for logging trucks is the Empire Sawmill in Cloverdale, less than one mile across the Sonoma County line. One reading of the rule is that trucks that go to this destination would be required to be upgraded or replaced because of this one mile of travel.

• A final complicating factor is the lack of local truck dealers. If a newer truck needs warranty service, it must be taken out of the County for repair. In most cases these dealers are located in "non-attainment" areas. In theory, a truck taken in for service may result in enforcement action being taken by ARB.

While ARB staff has provided verbal assurance on these issues, the District Board requests that ARB provide written clarification on these points so local businesses can be reassured they are in compliance.

Please contact the Air Quality Management District at (707) 463-4354 if you have any questions or would like additional information.

Sincerely,

Carre Brown, Chair

Mendocino County Air Quality Management District Board