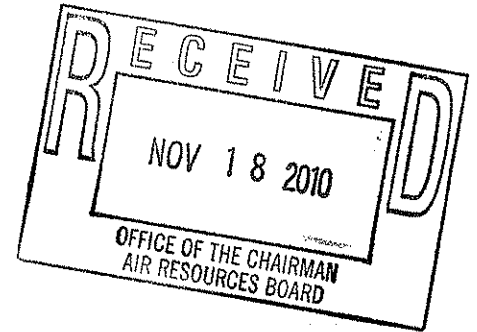


California Legislature



November 3, 2010

The Honorable Mary D. Nichols,
Chair, California Air Resources Board
1001 I Street
P.O. BOX 2815
Sacramento, CA 95812

Dear Chairwoman Nichols,

We are writing to express concern over the proposed amendments to the *In-Use, Off-Road Diesel* Regulation.

As you are aware, in 1998 the California Air Resources Board (Board) designated diesel particulate matter (PM) as a toxic air contaminant after an exhaustive, 10-year scientific assessment. The Board determined that PM has the strong potential to cause cancer and other serious ailments. In fact, diesel PM was found to account for the majority of the state's airborne cancer risk. The Board responded by adopting the Diesel Risk Reduction Plan, committing the state to reduce PM emissions and the associated health risk by 75% in 2010 and 85% in 2020.

With off-road diesel engines accounting for more than two-thirds of the 28,000 tons of PM released into California's air each year, the *In-Use, Off-Road Diesel* regulation was and remains an integral component of California's PM reduction strategy. Yet, the Board is now proposing to do away with most of the regulation's provisions, and effectively abandon near-term PM reductions across the board. The Board's proposal calls for reducing the number of required PM filter retrofits from 100,000 engines to zero, and lowers compliance to only 20% of a fleet, versus 80% under the original Plan. The proposal for modifications to *On-Road Diesel* are also of concern, increasing the number of trucks exempted from PM filter retrofits from less than 10,000 to over 140,000. **This potentially equates to more than 240,000 non-filtered engines being allowed to pollute our air with cancer-causing pollution.**

As a state, it is vitally important that we act prudently when making adjustments to our clean air standards because the health and economic vitality of California depends on it. In the San Joaquin Valley, for example, emission inventory margins to meet our current Clean Air Act commitments are currently at zero. In the South Coast Air Basin, the margin is minimal. If we fail to meet these commitments as mandated by the Clean Air Act, we would not only jeopardize federal funding, but also endanger the health and well-being of millions of our residents.

Compounding the very real human toll of this proposal is the economic consequences of sending a message to the market that California has an uncertain regulatory environment. To date, billions of dollars have been spent in R&D and capital by investors to develop the technologies necessary to comply with California's diesel standards. Effectively repealing the *In Use, Off-Road Diesel* regulation without first taking the time to fully study and appreciate the health and economic consequences would not only devastate these investments, but it would also send a chilling message to other clean technology companies and investors that have created more than half a million jobs in California and that their capital and efforts are best suited for a state with a more certain regulatory climate. This would also force many existing clean technology companies to seriously consider withdrawing from the state.

We are also concerned by the process which established this newly revised proposal. As we understand it, the Board was in the midst of public workshops presenting proposals for both the *Off-Road* and *On-Road* regulations when the Administration announced a new agreement with the Association of General Contractors which was dramatically different from the proposals presented at the workshops.

We respectfully request that you table the proposed amendments to the *In-Use, Off-Road Diesel* regulation during your December board hearing, and grant additional time so that all stakeholders, including the Legislature, have an opportunity to fully assess the health and economic consequences of the proposal.

Sincerely,

