Office of the Executive Officer Barry R. Wallerstein, D.Env. 909.396.2100, fax 909.396.3340

January 20, 2009

Mr. James Goldstene Executive Officer California Air Resources Board 1001 I Street Sacramento, CA 95812

Dear Mr. Goldstene: Samo

SCAQMD Staff Comments on California Air Resources Board Proposed Amendments to the

Regulation for In-Use Off-Road Diesel-Fueled Fleets and Implementation Update

The South Coast Air Quality Management (SCAQMD) staff appreciates this opportunity to provide comments on California Air Resources Board (CARB) proposed amendments and implementation update on the In-Use Off-Road Diesel-Fueled Regulation. While we are neutral regarding the adoption of the proposed amendments, we strongly encourage CARB to expeditiously implement the basic requirements of the program/regulation. As you are aware, the South Coast Air Basin suffers the nation's highest exposure to ozone and fine particulate pollution. In five short years, the South Coast Air Basin must attain the federal fine particulate ambient air quality standard and the NOx and PM emission reductions expected from the In-Use Off-Road Diesel-Fueled regulation are critical to attaining this standard. Additionally, the regulation contains provisions that allow air districts to obtain additional NOx emission reductions through the use of incentive funds. The SOON provision of the Off-Road Regulation is expected to generate an additional 12 tons/day of NOx emissions reductions needed for the South Coast Air Basin to attain the PM_{2.5} air quality standard by 2015. As such, expeditious implementation of the full Off-Road Diesel Vehicles Regulation is critical to meeting the emission reduction targets in the 2007 State Implementation Plan.

Because of the short timeframe and the critical need for additional NOx reductions, the South Coast AQMD has been expeditiously implementing the SOON provisions of the

regulation. The South Coast AQMD Governing Board formally opted into the SOON program on May 2, 2008 and the South Coast AQMD SOON guidelines were approved by CARB on June 6, 2008.

The South Coast AQMD Governing Board has allocated up to \$30 million for the first year of the SOON Program. To date, the South Coast AQMD has released three solicitations for SOON projects. The first was released on November 2, 2007 and closed May 2, 2008. This solicitation resulted in close to \$17 million to repower 125 vehicles operated by 21 private companies and one government agency. NOx emission reductions of almost 1 ton/day will be realized when all projects are completed. The second solicitation was released on May 2, 2008 and closed on November 7, 2008. Fourteen private companies and one government agency responded and requested close to \$8 million of funding to repower 61 vehicles. Staff will be recommending that the South Coast AQMD Governing Board approve funding for the eligible projects at its February 6, 2009 meeting. A third SOON solicitation is currently open and closes May 1, 2009. We strongly believe that the SOON Program will be successful over the next few years.

In summary, we urge CARB to move forward as quickly as possible to implement the regulation to ensure that the necessary NOx and PM reductions are realized so that the South Coast Air Basin can attain the federal fine particulate standard by 2015. In addition, we look forward to continuing our close working relationship with you and your staff on expeditious implementation of the regulation. If you have questions regarding the SCAQMD staff's comments, please feel free to call me or Mr. Henry Hogo, Assistant Deputy Executive Officer – Mobile Source Division, Science and Technology Advancement at (909) 396-3184.

Sincerely,

Barry R. Walferstein, D.Env.

Executive Officer

CSL:HH:RP