BLOOD CENTERS OF CALIFORNIA

November 21, 2008

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

RE: Proposed Regulations for In –Use on - Road Diesel Vehicles

Dear Chairwoman Nichols:

The Blood Centers of California (BCC) represent the 18 non-profit and governmental blood centers in California and we provide over 90% of the blood and blood products required in the state. Each center is individually incorporated and operates separately within the various regions of California, BCC as a member organization exists to promote the activities and interests of California's independent, community based blood centers. It is important to note that as health care providers our mission is to provide life saving blood and blood products; we want our environment and quality of life to be the highest it can be as our donors come from communities throughout California.

We are a highly regulated industry, we adhere not only to state laws and regulations but the FDA and AABB (American Association of Blood Banks) govern our operations and any standards generated by AABB become law in California. The regulatory agencies assure the safety of the blood supply and we collect blood and blood products from an all volunteer donor base. Because of the aforementioned, the blood supply is the safest it has ever been.

We employ thousands of people throughout the state and last year provided over 1.3 million units of blood and blood products to hospitals from the northern part of the state close to the Oregon border to the Southern California region bordering Mexico. In order to provide this critical service for Californians and to address the space and logistics needs of host sponsors, we use diesel bloodmobiles which are self contained. As such we are subject to the proposed CARB On-road Diesel regulations.

The cost of our blood mobiles far exceed the costs of "the usual on road commercial trucks, school buses or specialty farm equipment" covered under the proposed rules. Because our mobiles are custom built they range from $220,000 - $375,000, subsequently they are well maintained and kept for a number of years; on average we retrofit/rebuild our vehicle engines after fifteen years, with the interiors being refurbished more often. We also utilize smaller trucks - diesel, hybrid and gasoline powered -for mobile setup, blood and blood product delivery and staff transport. The total number of vehicles, affected by this rule, utilized by all our centers is approximately seventy but the diversity of our centers, the number of vehicles per center and mileage traveled will vary.

With this wide range, the proposed regulations are likely to increase administrative activity for those centers with larger fleets and this translates into higher administrative costs plus the costs associated with compliance.

Based on our reading of the regulations we are requesting the following:

Specialty/dedicated Use Vehicles – presently, it appears only farm vehicles or cab over engine truck tractor qualify for this exemption. Blood mobiles clearly can be designated as specialty/dedicated vehicles given the use and the modifications required for them to meet the needs for blood donations, thus we are requesting a broadening of this definition to allow blood mobiles to qualify under this section:

Blood mobile – a vehicle built, outfitted and used exclusively for the collection of blood and blood product donations from volunteers

Mileage Exemptions – more flexibility in this area would benefit the blood centers given the age, replacement costs , the overall low mileage and retrofit costs of the mobile engines as well as the lack of available compliant engines until much later in the decade. Our request is based on the following which provides an overview of our engine age and mileage information.

Summary of BCC Vehicles Survey

Number of Centers	Number of Vehicles	Mileage	Truck Year
3	One	1566	2005
		160	2007
		13,500	2001
3	Two	8376	1994
		14,997	2004
		5,000	1994
		Purchased in August	2008
		11,000	2002
		5800	2003
2	Three	2200	1996
		15,000	2002
		9,000	2005
		5,600	2002
		2,078	2007
		3.476	2007
1	Six	13,000	1996
		19,400	2002
		8,500	1997
		5,500	1991
		13,600	2002
		17,500	2006
1	Seven	1,950	1986
		13,656	1986
		12,366	2001
		16,347	2005
		7,733	2006
		3,039	2006

		14,600	2006
1	Eight	8,200	1995
		8,000	1991
		6,500	1984
		11,000	1997
		12,000	2002
		13,000	2000
		13,000	2004
		9,500	2006
1	Ten	8,500	1988
		17,312	1999
		10,777	1998
		11,644	2000
		12,979	2001
		6,235	2003
		5,447	2003
		13,794	2005
		8,686	2005
		10,668	2005
1	Eleven	10, 036	1977/rebuilt 2003
		12,098	1985/rebuilt 1995
		14,849	1985/rebuilt 2007
		12,198	1988/rebuilt 2004
		10,406	1991/rebuilt 2004
		13,163	1998
		13,680	2003
		17,058	2004
		18,128	2004
		10,940	2004
		6,521	2007
1	Twelve	4,700	2000
		51,000	2006
		3,100	2001
		4,475	2002
		7,461	2002
		4,718	2004
		4,006	2004
		6,434	2004
		8,806	2005
		7,753	2006
		10,109	2006
		1,073	2007

BACT/VDECS – Many of our mobiles contain the on –road engines listed in the technical document; however our mobiles are custom built and at this writing we do not have information that confirms whether there are emission control systems available or the cost of these systems. It should be noted that the technical document contains no reference to our vehicles or their functions.

Loan Programs – given the information shared at the November 6th presentation and based on conversations with staff, there is some uncertainty about whether we are eligible under the AB 118 and/or CalCAP loan programs. Based on the AB 118 requirement of two or less vehicles, it appears that only 6 out of our 18 centers may be eligible but the definition of "hardship" is still to be determined.

To summarize our points:

We are requesting a broadening of the definition of specialty/designated used vehicles to include blood mobiles.

With limited loan availability, the tight credit markets and our foundations, which provide funding , are struggling; we need a robust financing package – sufficient funding, easy availability of funds with low interest rates. Because the definition of "hardship" has not been determined, we are requesting participation in whatever activities that may determine the final definition.

We are requesting more flexibility in the mileage exemptions given the large number of our vehicles with low mileage and the cost of purchasing new or retrofitting existing vehicles. We also are members of the Driving toward a Cleaner California Coalition (DTCC) and support the alternative proposal which provides a more flexible mileage exemption and time line.

We are also requesting special consideration as we don't meet the requirements for travel in "trade corridors", access to ports and have limited time on the roads. There is an early incentive exemption however; few of our centers are now financially able to purchase new mobiles. A few of our centers report that they have purchased 2007 mobiles but even these engines don't meet the proposed NOx requirements.

As non-profits and health care providers our business model prevents us from passing on much of the costs of doing business, unlike many of the commercial entities that also must adhere to the proposed regulations. Further, it appears the proposed regulations (private fleet rule) may require a number of our centers to purchase new vehicles every three years, given the cost of our vehicles this is impossible. Presently, our mobiles are literally kept until "we have run them into the ground." The costs for retrofitting are onerous, we estimate a cost of $15,000 - $40,000/vehicle and of course the age of the vehicle may preclude retrofitting. Costs for new engines start at $30,000 and increase.

Because we are non-profits and the majority of our centers are owned by our communities, we depend on them and our foundations to subsidize our operations. Our centers that are hospital based are directly affected by the reduction in health care funding available to their hospitals. All our centers report that hospitals are pushing to "control or reduce" prices and with the loss of businesses – Mervyn's, lumber mills, and other large employers within certain communities, we face possible blood donation shortages above the usual seasonal occurrences. Non-profits are just as affected by the downturn in the economy as most businesses but also as health care providers we face other impediments – competing and retaining licensed health care personnel as well as the critical issues effecting California's health care system.

We shared the aforementioned information with the Commissioners during our visits with them over the last five months and we will be meeting with your staff on December 4, 2008 to re-enforce and clarify our concerns.

Lastly, we are cognizant of the critical public health issues these regulations attempt to address and we concur, emissions reduction is a laudable goal that has far reaching effects on the health of present and future Californians. However, we must be mindful of what effects these regulations have on the health of our economy generally and specifically on our ability to fully implement our stated goals and objectives – the provision of life saving blood and blood products to Californians.

Respectfully,

Lydia C. Bourne
Legislative Advocate

C:
CARB Board Members
Governor Arnold Schwarzenegger