



C A L I F O R N I A   R I C E   C O M M I S S I O N

December 9, 2008

Mary Nichols, Chairwoman  
c/o Clerk of the Board  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Subject: Proposed On-Road Diesel Regulation (Item #08-11-3)

Dear Chairwoman Nichols:

We are writing to provide comments on the proposed regulation to reduce emissions from on-road heavy-duty diesel trucks (Item #08-11-3). These comments are submitted on behalf of the 2,500 California rice growers that produce premium-quality rice on approximately 500,000 acres. About 95 percent of these acres are located in the Sacramento Valley.

Since initial staff proposals, the California Rice Commission (CRC) has been concerned about what appeared to be disproportionate economic impacts on agriculture from the regulation. Accordingly, we joined a comprehensive coalition of agricultural groups to work with your staff and analyze the impacts of the various staff proposals.

Emerging from our analysis were several conclusions regarding how the initial proposals would have caused a disproportionate impact on agriculture:

- Agriculture depends heavily on older, pre-owned trucks with its fleet being approximately eight years older than the statewide fleet.
- The fleet of agricultural trucks represents approximately four percent of statewide emissions while the staff's early regulatory proposals would have resulted in agriculture shouldering about twenty percent of the cost.
- Many agricultural trucks are operated seasonally and travel relatively few miles from fields to the first point of processing.
- Prices of agricultural commodities are dictated by worldwide demand and, therefore, agriculture cannot pass on compliance costs.

After well over a year of meetings with your staff, we are appreciative of the special provisions they have proposed to address the unique issues noted above. While the rule still imposes significant costs to agriculture and requires all vehicles to

ultimately comply within the term of the regulation, we feel that these special limited-use provisions make this rule one that we can live with.

Here are just a few notable remarks about the special agricultural provisions proposed by your staff:

- We estimate that trucks representing less than one percent of statewide heavy-duty diesel emissions will be eligible for the limited-use agricultural vehicle provisions.
- Of those trucks eligible, a significant fraction will be in full compliance with the nitrogen oxide (NOx) and particulate matter (PM) requirements by the end of 2016.
- All vehicles eligible for the special agricultural provisions beyond 2016 will be limited to a maximum of 10,000 miles of operation and must be fully compliant with the NOx and PM requirements by the end of 2022.

We believe the significant analysis and resulting proposal made by your staff represents a fine example of its willingness to recognize when a regulation would be economically devastating to a particular group of stakeholders and to propose appropriate action to both reach full compliance and make a sincere attempt to address the unique impacts. Therefore, even though the rule results in significant costs and a requirement to replace the entire fleet of agricultural trucks by 2022, we believe the rule, including the limited use agricultural vehicle provisions, should be adopted at this time. We look forward to working with your staff as they tackle key implementation issues.

We appreciate your consideration of our comments. Please feel free to contact me at (916) 387-2264 if you have any questions.

Sincerely,



Paul Buttner  
Manager of Environmental Affairs

c: James Goldstene, Air Resources Board  
Thomas Cackette, Air Resources Board  
Lynn Terry, Air Resources Board  
Erik White, Air Resources Board