

## CALIFORNIA AIR RESOURCES BOARD

### NOTICE OF PUBLIC HEARING TO CONSIDER UPDATES TO THE PROPOSITION 1B: GOODS MOVEMENT EMISSION REDUCTION PROGRAM GUIDELINES

The Air Resources Board (ARB or Board) will conduct a public hearing at the time and place noted below to consider adoption of updates to the Proposition 1B: Goods Movement Emission Reduction Program Guidelines (Program Guidelines).

DATE: March 25, 2010

TIME: 9:00 a.m.

PLACE: California Environmental Protection Agency  
Air Resources Board  
Byron Sher Auditorium  
1001 I Street  
Sacramento, California 95814

This item will be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., March 25, 2010 and may continue at 8:30 a.m., on March 26, 2010. This item may not be considered until March 26, 2010. Please consult the agenda for the meeting, which will be available at least 10 days before March 25, 2010 to determine the day on which this item will be considered.

If you require special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

#### **Background**

The movement of freight (goods movement) throughout California results in emissions of diesel particulate matter (diesel PM), oxides of nitrogen (NOx), and other pollutants. Goods movement involves the use of a variety of mobile emission sources, such as heavy duty trucks, diesel locomotives, ocean-going cargo ships, harbor craft, and cargo handling equipment. ARB has identified diesel PM as a toxic air contaminant, and NOx contributes to regional ozone and PM levels that exceed State and federal air quality standards. The emissions from these mobile sources result in significant human health risks and adverse environmental effects, particularly when such sources release emissions near already heavily-impacted communities located in California's trade corridors where these sources operate.

Proposition 1B: Goods Movement Emission Reduction Program (Program), approved by voters in 2006, authorizes \$1 billion in bond funding to the ARB to cut freight emissions in four priority trade corridors. The State budgets for FY2007-08, 2008-09 and 2009-10 appropriated nearly \$750 million total to ARB for the Program. The major sources eligible for bond funding include heavy-duty diesel trucks, freight locomotives, cargo ships at docks, commercial harbor craft, cargo handling equipment, and infrastructure for electrification of truck stops, distribution centers, and other places trucks congregate.

State law (Health and Safety code section 39625 et seq) directs ARB to administer the Program to maximize the emission reduction benefits while achieving the earliest possible health risk reduction in communities heavily impacted by goods movement. The Program supplements regulatory actions and other incentives to cut diesel emissions by funding projects “not otherwise required by law or regulation.” The funds provide an incentive to equipment owners to upgrade to cleaner equipment and achieve early or extra emission reductions beyond those required by applicable regulations or enforceable agreements.

The Program is a partnership between ARB and local agencies (like air districts and ports) to quickly reduce air pollution emissions and health risk from freight movement along California’s four priority trade corridors. ARB awards Program funding to local agencies; those agencies then use a competitive process to provide incentives to equipment owners to upgrade to cleaner technology. However, project starts are now contingent on the availability of bond funding.

### **Proposed Revisions**

As required by State law, the Board adopted the Program Guidelines and Staff Report at a public hearing on February 28, 2008. The Program Guidelines define the responsibilities of ARB, local agencies, and equipment owners, as well as the technical specifications and funding amounts for eligible projects. The Guidelines also define the overall funding targets for each trade corridor and each source category. Per Resolution 08-12, following each appropriation of Program funds to ARB, ARB staff must develop, and the Board must consider adoption of, any appropriate updates to these Guidelines prior to issuing the Notice of Funding Availability for that funding cycle.

ARB staff is not proposing any fundamental changes to the structure or goals of the Program. For a complete discussion of this structure, the goals, and all of the requirements, please see the adopted Guidelines and Staff Report available on the Program’s website at: <http://www.arb.ca.gov/gmbond>.

The proposed updates to the Guidelines will include administrative elements that apply to both FY2007-08 funds and future year funds, as well as revised project specifications that only apply to future year funds. The administrative elements reflect interim changes made to the Guidelines via subsequent Board Resolution or Executive Order, as well as proposals to streamline the implementation requirements for local agencies.

The revised project specifications will include new project choices and modifications to existing project options based on new information. The emphasis is on trucks, especially lower cost options for smaller truck fleets and improved access to financing. For other categories, staff is proposing several new project options to convert diesel equipment to electric or zero-emission power, or use hybrid power systems, to cut fuel use, toxic and criteria pollutants, and greenhouse gases.

The administrative and project proposals incorporate the work done to simplify and align many truck incentive provisions of the Carl Moyer Program and the Prop. 1B Program, consistent with the Board's direction.

### **AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS**

The Staff Report and the proposed Program Guidelines will be available on the ARB Internet site at: <http://www.arb.ca.gov/gmbond> in early March. Copies may also be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, CA 95814, or by calling (916) 322-2990.

### **SUBMITTAL OF COMMENTS**

Interested members of the public may also present comments orally or in writing at the meeting and may be submitted by postal mail or by electronic submittal before the meeting. To be considered by the Board, written comments, not physically submitted at the meeting, must be received **no later than 12:00 noon, March 24, 2010**, and addressed to the following:

Postal mail: Clerk of the Board, Air Resources Board  
1001 I Street, Sacramento, California 95814

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Please note that under the California Public Records Act (Gov. Code, § 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request. Additionally, this information may become available via Google, Yahoo, and any other search engines.

The Board requests, but does not require, that 20 copies of any written statement be submitted and that all written statements be filed at least 10 days prior to the hearing so that ARB staff and Board members have time to fully consider each comment. Further inquiries regarding this matter should be directed to Sherrie Sala-Moore, Air Resources Engineer, at (916) 322-0343 or Barbara Van Gee, Manager, Goods Movement Program Section, at (916) 322-5350.

## CALIFORNIA AIR RESOURCES BOARD

---

James N. Goldstene  
Executive Officer

Date:

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website at [www.arb.ca.gov](http://www.arb.ca.gov)*