



California Independent Oil Marketers Association
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December 8, 2009

Clerk of the Board
California Air Resources Board
Cal/EPA Headquarters
P.O. Box 2815
1001 "I" Street
Sacramento, CA 95812

Subject: Comments on Update the Board on the Truck and Bus Regulation.

CARB Board Members:

On behalf of CIOMA members we wish to make the following comments on the Truck and Bus Regulation. CIOMA members rely extensively on diesel powered equipment in the delivery of fuel to the state fuel consumers. It provides the needed horsepower to haul and deliver heavy fuel loads and provides a reliable technology, conveniently powered by the fuel our members distribute. We commented extensively a year ago and our comments remain very critical of this regulation and our members' ability to comply.

We have the following comments:

- Our members are largely family owned small businesses who operate fleets between 5 and 50 trucks. Some members are common carriers and have larger fleets. However, to a small family-owned business this regulation is unaffordable.
- The so-called "\$2 billion" in assistance has failed to full materialize. And most, if not all, of the money available cannot be accessed by our members due to fleet size, mileage requirements or other barriers.
- Our members own and operate trucks, such as bobtail units, that require replacement of the entire truck, not just the engine. In these cases the cost, per truck, can exceed \$250,000.
- The recession has created significantly reduced income for our members. This directly affects their ability to afford particle trap retrofits and new truck purchases.

CARB has failed to review or revise its economic analysis for this regulation, even though the economic conditions have changed dramatically over the last year. CARB needs to perform an affordability analysis of this regulation, beyond just calculating the cost to industry. Without this information, Board members have no idea of how this will be implemented or the potential consequences of their action.

CARB has never performed any research that might shed light on the health consequences of companies laying off employees (curtailing their health benefits) or the possibility of companies reducing health care benefits to their employees due to having to make truck expenditures. Again, Board members will be ignorant of possibly damaging health consequences from their actions.

CARB is facing a crisis in confidence and needs to send out its underpinning science study for new peer review, and open debate on its findings.

CARB's own analysis has indicated that diesel emissions have been significantly reduced due to the recession. Taking time to re-examine both the economic and scientific data underlying the regulation will create no harm to the public.


In the end, the SIP commitment may need to be re-evaluated due to the potential negative consequences of this regulation.

Finally, without significant re-tooling this regulation may lead to widespread civil disobedience, as regulated parties are faced with no other options. The regulated community has expressed its desire to achieve a workable regulation that industry can afford and achieve. This was most clearly expressed last year when the Driving Towards a Cleaner California (DTCC) proposal was offered that provided equivalent emission reductions at the end of the compliance period. However, flexibility – to assist companies in their affording the costly requirements – was provided during the span of the regulation.

We ask for delay and good-faith negotiations to revise this to a program that does not create further adversarial conditions between the regulators and the regulated.

CIOMA represents independent marketers who purchase gasoline and other petroleum products from refiners and sell the products to independent gasoline retailers, businesses, and government agencies, as well as representing branded “jobbers” who supply branded retail outlets, especially in rural areas. Our members are primarily small, family owned businesses who encounter unique difficulties in meeting California's complex and increasingly expensive environmental requirements. We represent approximately 400 members, about half of whom are actively engaged in the marketing and distribution of petroleum products and fuels.

Sincerely

A handwritten signature in black ink, appearing to read "Jay McKeeman". The signature is fluid and cursive, with a large initial "J" and "M".

Jay McKeeman, Vice President, Government Relations & Communications

cc: Governor Arnold Schwarzenegger
Linda Adams, Secretary Cal/EPA