InterState
Oil Company

November 27, 2007

RE: Proposed Port Drayage Truck Regulation

Dear ARB Board Member:

Thank you for taking the time to read this letter. I am the Operations Manager for Inter-State Oil Co. a California trucking company operating in and around the ports and have been in business in California for 37 years. Inter-State Oil Co. is part of the California Trucking Association (CTA), which represents over 2,300 member companies who operate in and out of California, and who's Southern and Northern Intermodal Conferences make up the largest block of intermodal carriers nationwide.

As a business operating in California we recognize the air quality issues facing all of us. Many of our employees live and work in and around the port complexes and are currently working to assist in finding sustainable solutions that not only improve air quality but also help sustain a growing goods movement industry.

My concern is with the recently released regulatory proposal aimed at controlling emissions for in-use on-road heavy duty drayage trucks within California Ports. Currently the proposed regulations require all drayage trucks to be equipped with a 1994-2003 model year engine certified to California or federal emissions standards and a level 3 VDECS for PM or 2004 or newer model year engines certified to California and federal standards by December 31, 2009. Phase 2 creates even more burdensome provisions requiring trucks to meet or exceed 2007 model year engine standards by December 31, 2013.

Our concerns are that some of what the CARB staff is proposing will have devastating effects on the current and future economy. We, the CTA have looked for and can not find a comprehensive or even cursory economic impact study. Issues such as new engine costs, rate increases needed to cover the cost of the technology and the lack of competitive pricing of the VDECS, will all adversely impact the California GDP.

An additional issue includes residual values of new vehicles at disposal time. As new or currently operated vehicles age, there will be no resale value as they will not be legal to run in California. No resale value will be a problem for the banks funding the leases on the new vehicles. They must amortize the entire vehicle in an extremely short period of time driving the price of the lease payments up.

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Another concern would be in the verification of compliance. The CARB does not have enough inspectors to police compliance. Even if they did, they are only prepared to police for installation of VDECS. There does not appear to be a budget set for actually testing the emissions. As a result two events are possible and highly probable. First, the device could malfunction and as long as it is on the truck no one would know it is allowing harmful emissions. Second, without emissions testing as a verification method, counterfeiting will spring up.

We are committed to working to find attainable and sustainable solutions to emissions reductions; we just ask you take into consideration the potential effects on the overall industry. If this new version could be delayed and rolled into the private fleet rule proposed for October 2008 we would offer our assistance in achieving a proposal that works for industry as well as government.

In earnest, we are not looking to thwart the efforts of the staff assigned to creating the rules and you who are tasked with achieving a cleaner California. We simply would like to ensure the economy which is ever so fragile currently will not be set on a coarse it can't recover from.

The current housing and sub prime loan debacle combined with record high fuel prices have California in an extremely precarious position. Is it possible we can join forces to find a cleaner path that will support California's prosperity as well as cleaner air? We hope so and would welcome a chance to participate in that common goal.

Sincerely,

Dominic Dacay
Operations Manager
Inter-State Oil Company

Cc: Nycala Benson
California Trucking Association

ORIGINAL: Board Clerk
Copies: Executive Officer
Chair

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