



South Coast Air Quality Management District

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December 14, 2011

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Mary D. Nichols
Chairman
California Air Resources Board
1001 "I" Street
Sacramento, CA 95812

Subject: Proposition 1B: Goods Movement Emission Reduction
Program 2011 Funding Awards Staff Report

Chairman Nichols,

The South Coast Air Quality Management District (SCAQMD) is extremely concerned about the current staff proposal for the Proposition 1B 2011 Funding Awards as outlined in the subject report. As you are aware, we and the other air districts have been working closely with your staff on ensuring that funding priorities for the regions per the allocations approved by your Board at the onset of the Proposition 1B program are fulfilled. We were disappointed to find certain elements of the staff recommendations deviate from the approved corridor allocations and do not provide a level playing field for this round of funding. We list the main points below in priority order.

Trade Corridor Allocations

The proposed funding allocation relies on prioritizing the replacement of drayage trucks to the Los Angeles/Inland Empire and Bay Area as shown in Table ES-1 of the staff report. What is not made clear, however, is that because the two regions are combined, the approved trade corridor allocations are intended to shift funding percentages from the SCAQMD to the Bay Area. This likely outcome is confirmed in Tables 6 and 7.

The SCAQMD therefore requests that the original Proposition 1B trade corridor allocations approved by the CARB Board, including 55% for the Los Angeles/Inland Empire corridor be honored regardless of the truck project classifications. Alternatively, any shortfall in funding suffered by a specific trade corridor should be made up during the next funding action by your Board, and we further request a commitment for such as part of any action on December 16th.

Reuse Program

SCAQMD supports a truck reuse program, but the proposal to consider a reuse program only in the San Joaquin Valley is unfair and would prevent other trade corridors from benefiting from the air quality and health benefits that could be achieved by a reuse program. SCAQMD was actually left out of the initial discussions regarding this program and was unaware of CARB's proposal until the publication of the staff report. CARB staff cites "environmental justice concerns" as the reason for focusing the reuse program on the San Joaquin Valley, but these concerns are not unique to the San Joaquin Valley and as such, other trade corridors should also benefit from a reuse program. **We therefore request that CARB allow all trade corridors to participate in the reuse program.**

Drayage Trucks Replacement Priority

The SCAQMD certainly understands and supports CARB's priority for replacing drayage trucks given the upcoming rule implementation deadlines. In fact, such trucks have been a priority for us in utilizing the Proposition 1B grant funds, where we have expended in total \$74.8 million in Proposition 1B, and 26.6 million in local and federal funds for drayage trucks over the last two years. You may recall that we took on the responsibility of administering an Early Grant to help CARB kick-off the Proposition 1B program and demonstrate the early success of the drayage trucks program. We have achieved such great success that there are only 600 remaining MY1994- 2003 eligible drayage trucks in our region according to Table 4 of CARB's staff report. However, we have over 1,500 non-drayage trucks on a backup list from our March 2011 solicitation. Afforded additional funding, these trucks could be immediately replaced resulting in significant emission reductions, including toxic air pollutants, in our region.

As acknowledged by CARB staff, the response for drayage trucks will likely be less than 100% (and even 50%) and in that event "other trucks" will be funded. **Hence, we urge this funding be expedited to regions with the greatest divergence from the agreed upon trade corridor allocation percentages to fund "other truck" projects.**

These matters were previously discussed with your staff, but we were unable to reach agreement on these matters. We therefore request the modest actions above be taken by the Board.

Sincerely,



William A. Burke, Ed.D.
Chairman