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March 17, 2008

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Ms. Mary Nichols Chair California Air Resources Board P.O. Box 2815 Sacramento, CA 95812

Subject: Comments on Proposed 2008 Carl Moyer Program Guideline **Update**

Dear Ms. Nichols:

The California Air Pollution Control Officers Association (CAPCOA) wishes to thank ARB for meeting with us, members of the business community, environmental groups and the public during the development process for the Proposed 2008 Carl Moyer Program Guideline Update.

Board Member Sandra Berg chaired a series of Moyer Advisory Group meetings that provided excellent opportunities for everyone to express their concerns. Those concerns were reviewed by ARB staff and resulted in significant modifications to the 2008 Moyer Guidelines. The meetings were very successful and we look forward to similar collaborations in the future.

One item that remains unresolved from our discussions is the potential for guidelines in newer funding programs being incorporated into the Moyer program. Moyer has a long track record of success and the program has been subject to numerous audits, demonstrating the integrity and robustness of the program.

The Goods Movement Emission Reduction Program (GMERP) has been developed quickly and is untested in distributing funding in a cost effective manner that can work in the marketplace. Transitioning guidelines or funding rules from GMERP or other programs such as those that grow out of AB118 must be done carefully and only after these guidelines have been tested in the marketplace.

An example of applying a new program (GMERP) to tested Moyer guidelines results from Tables 8-1 and 8-2 in the Proposed 2008 Revision to the Carl Moyer Program Guidelines. Only locomotive opportunities that are not available under GMERP rules will be allowed in Moyer and the maximum percentage for funding projects is set at 50% for Class 1 or passenger locomotive projects. In the past,

Moyer funding has been applied based on cost effectiveness. The districts in northern California feel that the impact of these two tables will be to greatly limit or at worst completely stop their progress in upgrading the intrastate and switcher fleets in northern California. The previous funding rules should remain in place pending further discussions on the impacts of changing the application of Moyer funding to railroads.

CAPCOA congratulates ARB for their efforts and supports the 2008 Carl Moyer Program Guideline Update with the changes noted above.

Sincerely,

Doug Quetin

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President

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Copies:

Executive Officer

Chair

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ORIGINAL: Frank Clerk **Executive Officer**

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