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Jack P. Broadbent
EXECUTIVE OFFICER/APCO

December 7, 2010

James Goldstene
Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Proposed Amendments to On-Road and Off-Road Regulations

Dear Mr. Goldstene,

I am writing to provide you with the Bay Area Air Quality Management District's (Air District) comments on your staff's proposed amendments to California Air Resources Board (ARB) Statewide Regulations for In-Use On-Road Diesel Vehicles (Truck and Bus regulation), the Heavy-Duty Vehicle Greenhouse Gas Emission Reduction Regulation (Tractor-Trailer GHG regulation), the Regulation for In-Use On-Road Diesel-Fueled Heavy-Duty Drayage Trucks (Drayage Truck regulation), the In-Use Off-Road Diesel Fueled Fleets (Off-Road regulation), and the Large Spark-Ignition (LSI) fleet regulation.

I want to commend the ARB on its willingness to revisit the requirements of these regulations based on updated inventory information and the present economic downturn. The Air District believes that this represents an equitable approach to regulation and demonstrates ARB's willingness to consider flexible solutions to achieving emissions reductions goals. The Air District continues to be proud to be a partner with the ARB in delivering the emissions reductions necessary to protect public health, global climate and the environment. This partnership is exemplified by our recent successful efforts to decrease health risk from toxic diesel particulate matter (DPM) emitted by drayage trucks in the West Oakland community. It is in the spirit of that partnership, that the Air District offers the following analysis and recommendations regarding the proposed regulatory amendments.

The Air District is concerned about the proposed regulatory amendments based on the fact that the primary driver of health risk in Bay Area communities is DPM from on-road trucks. This fact is borne out by studies such as our joint health risk assessment (HRA) performed in West Oakland in December 2008. That HRA identified West Oakland as having a cancer health risk of three times greater any other location in the Bay Area and one of the highest in the State of California (1,500 in 1 million). It also identifies on-road truck DPM emissions as being the cause of 70% of that health risk.

This impact is confirmed by the Air District's Community Air Risk Evaluation (CARE) Program which has identified DPM primarily from on-road trucks and secondarily from off-road construction equipment as being the main drivers of health risk in five additional communities (see Attachment 1) in the Bay Area.

This evaluation utilized mobile source emissions inventories prepared by the ARB.

Based on ARB's new inventory numbers for off-road equipment emissions it appears there will be some reduction of that source's relative impacts on these communities. However, the new inventory also reveals a significant increase in the emissions from on-road sources and particularly their contribution to overall DPM. The Air District therefore believes that the health risk in its six most highly impacted communities and along Bay Area highways remains at the same or increased levels.

With Bay Area residents already subject to 20% of the total toxic DPM emissions from goods movements in the State and the region being home to 20% of the State's population, it is important not to lose any ground in reducing these emissions. Therefore, the Air District is requesting that the ARB Board consider the following recommendations, should the Board decide to proceed with the proposed amendments to the regulations listed above:

- **Implementation of the recommendations from the advisory committee headed by ARB Board member, Sandra Berg, by streamlining State grants programs:** Over the past year, a significant effort has been spearheaded by ARB Board member, Sandra Berg, in relation to the re-tooling of State grants programs. That process has brought forward a number of significant streamlining suggestions that would make the granting process easier, more user-friendly and more attractive to prospective applicants.

  The Air District urges the ARB Board to implement the suggestions from the advisory committee now. This would make it possible to mitigate any increased emissions that may occur based on the proposed rule amendments in the event of improved economic activity. This would also allow the Air District to continue to address its health risk concerns via a simplified and less cumbersome State grant processes. This new streamlined process would retrofit and replace on- and off-road vehicles during the period before the proposed start dates of regulatory mandates.

- **Support air districts in efforts to seek streamlined legislation and extension of State grants programs:** One of the principal recommendations of the advisory committee mentioned above has been the request to streamline the requirements of State grants programs. This recommendation has received strong support from industry, air districts, the public and local communities. However, ARB staff has insisted that they believe legislative changes will be necessary in order to make this happen.

  In light of the proposed rule amendments and their implementation timeline, the Air District believes that ARB should support local air districts and the California Air Pollution Control Officers Association (CAPOA) in a legislative effort to seek simplified and unified requirements for State grants programs. Additionally, the Air District believes that ARB should also support an

extension of State grants programs through the year 2024. This would allow air districts to continue to achieve emissions reductions over and above what is required by the proposed amendments to the regulations.

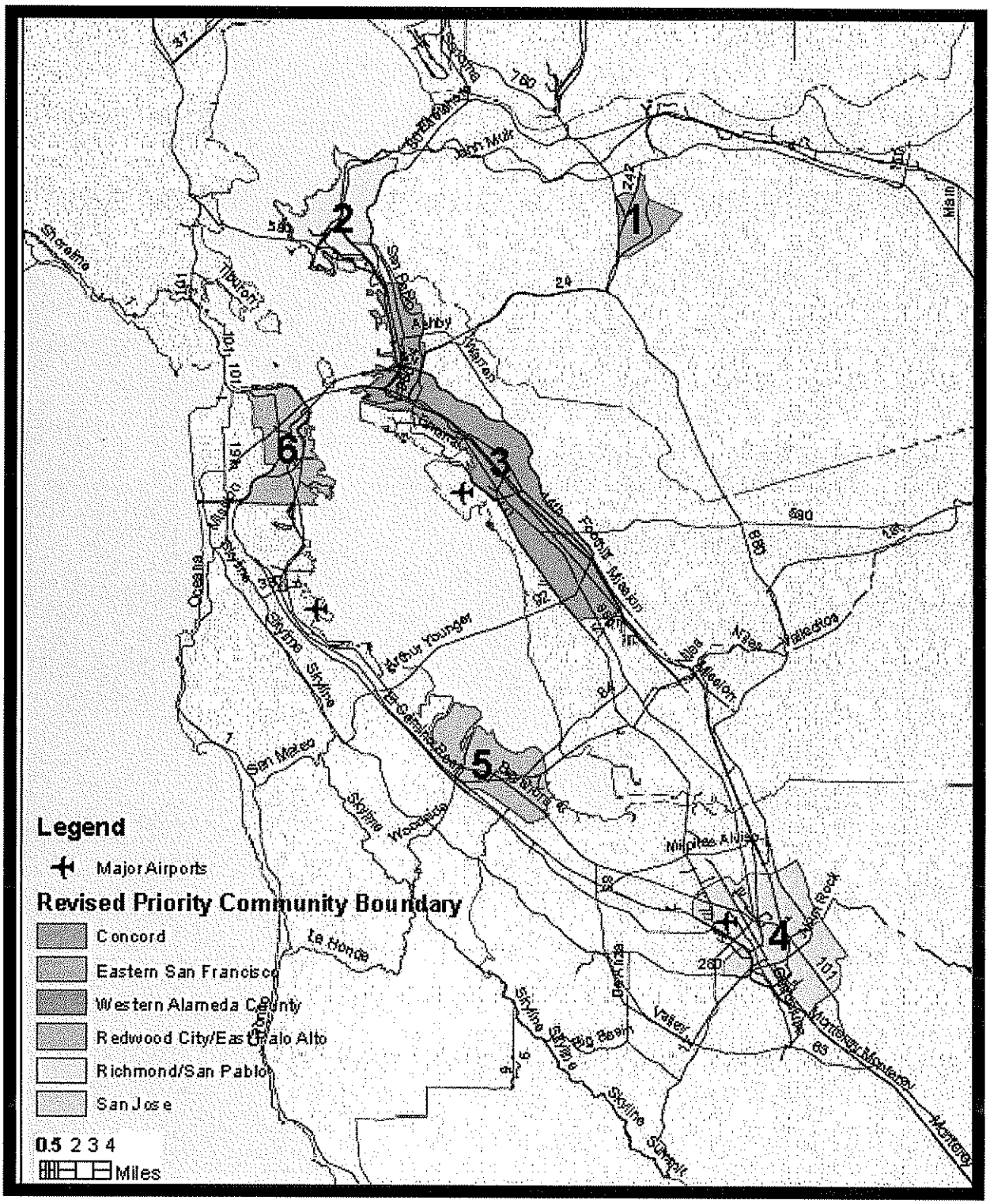
- **Allow increased participation by medium sized fleets in State grants programs:** As they currently stand and under proposed revisions, the guidelines of State grants programs do not provide for sufficient funding to address reducing the emissions from on-road fleets in the 3 to 20 vehicle size range. The Air District believes that this segment of the regulated community comprises a significant portion of the emissions inventory and that while small fleets in the 1 to 3 vehicle size range still requires significant help, it should not be done at the expense of these medium size fleets. Therefore, the Air District encourages ARB to revise its State grants program guidelines to allow significant funding to be available for both of the equipment categories above.

- **Providing additional funding and larger percentages to loan guarantee programs to increase grant program participation:** As the ARB is aware, one of the main considerations which led to the proposed regulatory amendments was the downturn in the economy. This economic downturn has also had a severe impact on the ability of those affected by the proposed regulations to obtain credit or loans to replace equipment.

  Based on input obtained through an End-User issues process initiated by CAPCOA and subsequent feedback from the State grants advisory group; the Air District urges the ARB to consider additional funding and larger percentages for loan guarantee programs associated with equipment replacement. Such programs would provide the ability for grant applicants to secure the additional funding necessary to replace equipment and would give confidence to lending institutions to invest in these projects.

The Air District believes that the items above merit serious consideration by the ARB and are necessary for continued emissions reductions if the proposed regulatory amendments are adopted. If you have any questions regarding this letter, please feel free to contact me at (415) 749-5052 or Damian Breen, Director of the Strategic Incentives Division at (415) 749-5041.

Sincerely yours,

Jack P. Broadbent
Executive Officer/APCO

Attachment 1 - Bay Area Highly Impacted Communities