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Steven Brink  
10-11-3

December 15, 2010

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

Re: On-Road Diesel Engine Emission Rule Modifications

Dear Chair Nichols:

The California Forestry Association (CFA) offers the following suggestions for the Board's consideration on the On-Road, Off-Road, and Portable Diesel Engine Emission Rules, and the Large Spark Ignition Rule.

CFA is a trade association whose members consist of California forest products producers, forest land owners and natural resource professionals committed to environmentally sound policies, responsible forestry, and sustainable use of California's natural resources. Our members process over 90 percent of the wood products manufactured in the state of California. Many of our members are fleet owners that have on-road, off-road, portable, and large spark ignition equipment.

**General Comments:**

We believe each of the Diesel Engine Rule staffs have been diligent in looking for and proposing modifications that make the Rules more implementable. However, we believe there has been little attention to looking for ways to make the Rules consistent and integrated with each other. Two examples follow:

**Portable Rules** – There has been no attempt that CFA knows of to look for additional proposed modifications to the Portable Diesel Engine Emission Rules. A modification was adopted last year that extended the life of equipment with Tier 0 engines to December 31, 2010. This essentially means all pre-1996 portable diesel equipment has to be repowered with a newer engine or taken out of service within the next two weeks.

At the same time, the Off-Road Rule proposes to move the compliance schedule back up to four years depending on the fleet size. We believe that the Portable Rules should be modified to be consistent with the compliance schedule of the proposed modification to the Off-Road Rule.

Further, we believe the Portable Rule should incorporate the Agricultural Operations definition that are now consistent in the On-Road, Off-Road and proposed for the Large Spark Ignition Rules. And, the Portable Rule should exempt all Agricultural Operations from the Rule as the Off-Road Rule does.

**Large Spark Ignition Rule** – This rule proposes excellent modifications including making the Agricultural Operations definition consistent with the On-Road and Off-Road Rules. However, the

proposal then goes on to split in-field versus first point of processing activities within the Agricultural Operations definition. The proposal then calls for only in-field Agricultural Operations to be exempt from the requirements of this Rule instead of all Agricultural Operations. We believe the Large Spark Ignition Rule should be consistent with the Off-Road Rule in that all Agricultural Operations should be exempt from the Large Spark Ignition Rule.

### **Financial Burden of the Rules on In-State Fleet Owners**

There has been no significant measurable improvement in California's economy for the Forestry Sector in 2010 and we do not expect much improvement for the foreseeable future.

For the forestry sector, we believe the On-Road Rule staff recognized that it makes little or no sense to spend \$20,000 for a particulate filter for a truck that's worth \$10,000 or less. The compliance schedule has been adjusted to recognize this and try to create a situation where an investment only has to be made once (either repower or replace). Further, and more important, we believe we've demonstrated that there is no particulate filter technology in the market place that will work in our forestry application with old, mechanical fuel injection, trucks.

The in-State forestry fleet owners have historically turned over their trucks at a rate of 4 percent per year. Forestry fleets generally put 30,000-60,000 miles/year on their part-time trucks (they're weathered-out 5-6 months/year). So it takes 20-30 years to "wear-out" the truck. Further, there is no bank in California that will lend money to a fleet owner to buy a filter and install it on an old, mechanical fuel injection truck.

We applaud On-Road staff's efforts in working with the Forestry Sector to craft an excellent Log Truck Provision. Turning the log trucks over at a 10 percent annual rate starting January 1, 2014 is a simple, easy-to-understand approach. The problem is there's no economy in California to support the implementation. The historic replacement rate is 4 percent. What this will mean is that fleet owners will declare a percentage of their log trucks under the Log Truck Provision and keep the rest within the mileage exemption categories for Agricultural Vehicles.

The simple problem is that there are not sufficient monetary incentives through existing programs to make the On-Road Rule workable for in-state fleet owners. The Carl Moyer program has insufficient funds and the match requirement is crippling to potential applicants. The Forestry Sector is not eligible for Proposition 1(B) funds or 118 funds.

### **Specific Comments**

#### ***The On-Road Rule:***

##### ***The 17 NOx Exempt Areas:***

We understand that language is being crafted for a proposed modification to the Rule that reinstates the 17 NOx Exempt Areas and that there will be a future notice and 15 day comment period on that language. We would like to suggest consideration of the following in the deliberation on the modification:

- 1) Cloverdale -- Access to Cloverdale from the north is important to the forestry sector and likely other economic sectors. The forestry sector have many trucks that we could put the NOx exempt "NE" label on the doors (as could many other small in-state fleet owners in the rural coastal counties to the north of Cloverdale) if the small wedge of northern Sonoma county was included (using Hwy 101 and Hwy 128 as the NOx boundary instead of the county line). We are only 4 percent of the truck traffic at the Hwy 128/Hwy 101 intersection but we have lots of wood fiber that goes to the mill in Cloverdale.

We can't believe that the NOx emissions in and around Cloverdale are what causes Sonoma County to be NOx non-attainment. We think a small wedge (bounded by Hwy 128 and Hwy 101) at Cloverdale added to the NOx Exempt Area in northern Sonoma County makes good common sense.

- 2) Butte County – Again, there is substantial local in-state fleet owners that could put the “NE” label on their truck doors if Butte County were a NOx Exempt Area. The reason is there is substantial freight movement and redistribution particularly at Oroville (including a log reload yard to send logs north). What we don't understand is what is driving Butte County to be NOx non-attainment? Colusa, Glenn, Tehama, Plumas, Yuba, and Sierra are all NOx Exempt (counties that surround Butte County). It is not intuitively obvious why Butte County is non-attainment. You would think the I-5 traffic in Colusa, Glenn, and Tehama Counties would be a bigger NOx producer than the Hwy 99 corridor through Chico and Oroville. What causes Butte Co. to be NOx non-attainment???

We believe the “wedge” in northern Sonoma County and all of Butte County should be added to the NOx Exempt Areas.

#### ***Incentivizing Early Retirement Credit***

Obviously incentives to get old trucks out of service could be a major factor in reducing California diesel emissions. We think ARB should provide some substantial incentives that would help achieve retirement of particularly the older mechanical fuel injection trucks.

One suggestion to consider would be that every time a truck is retired from a fleet, one year delay be provided in the compliance schedule for one other truck in the same fleet.

#### ***Summary:***

We believe the Board should direct staff to continue diligently looking for modifications to these Rules to reduce the financial burden in California's struggling economy with specific emphasis on integration and consistency between the Rules.

Thank you for the opportunity to comment.

Sincerely,



STEVEN A. BRINK  
Vice President – Public Resources  
California Forestry Association

Cc: Air Resource Board Members  
Erik White  
James Goldstene