Matt Schrap
10-11-3

December 17, 2010

Clerk of the Board
California Air Resources Board
1011 I Street
Sacramento, CA 95814

Dear Chairman Nichols and Members of the Board:

The California Trucking Association (CTA) herein offers its comments on the California Air Resources Board (CARB) staff's recent proposal to amend the On-Road Truck and Bus Rule, the Drayage Truck regulation as well as the regulation to reduce greenhouse gas emissions from long-haul tractors and trailers. Although CTA offers the comments below, the Association is fully supportive of the comments submitted by the American Trucking Association.

1. Proposed amendments to the On-Road rule are sensible, straightforward and necessary

CTA appreciates the proposed changes. From the perspective of our carrier members, there is one serious issue that must be addressed. Many fleets allocated significant resources to purchasing 2007 and newer technology prior to the latest round of changes. In doing so, fleets put themselves at a competitive disadvantage, simply because many other carriers who "waited it out" are benefitting from lower operational costs associated with running older equipment. At a minimum, fleets should receive the same one to one credit that the proposed early retrofitting incentive allows for if the fleet purchased 2007 or newer technology. This will help spread out some of the costs and ensure that those who acted early do not get punished for their proactive compliance steps.

CTA recommends that fleets receive a one to one credit until 2017 for purchase of 2007 and newer technology prior to December 31, 2011.

2. Proposed Mileage and Territory Exemption Standards under the GHG regulation should be less restrictive

CTA appreciates that ARB staff has acknowledged the needed changes for the large fleet compliance phase in as well as the clarifying language for storage trailers and the subsequent 3 day pass concept. However, the mileage and territory limitations are still too restrictive.

The mileage restrictions appear to be based upon an assumption that trucks and trailers work five, ten hour days. In fact, trucks and trailers commonly work seven-day weeks with service hours reaching up to 20 hours per day, when multiple drivers are used. For example, grocery trucks regularly total 150,000 miles per year within a 150 mile radius.

An extremely common truck trip is between Los Angeles and Bakersfield, a 115 mile trip that features only 25 miles at freeway speeds since trucks can only go 35 mph over the Grapevine before descending into or emerging from congested Los Angeles traffic. A 100 mile radius would close off Bakersfield to all but sideskirt-equipped trucks despite the fact that only a small proportion of travel would occur at freeway speeds. For example, a truck making a round trip to Bakersfield only once each day of the year would accrue over 80,000 annual miles, but spend less than 25 percent of its mileage at freeway speeds.

It is not clear that staff conducted any interviews with California based carriers who typically engage in "short-haul" with 53' foot or greater trailers. Many California fleets have speed data that clearly indicates average speeds are well below 50 MPH. In fact many fleets have governed tractors where optimal 62 mph will never be achieved.

CTA recommends that ARB set the exemption standard for tractors at 150 mile radius and use the same criteria for a parallel, explicit short-haul trailer exemption standard.

3. **Proposed Low Rolling Resistance tire implementation should be pushed out to adequately address safety issues and retread turnover.**

Also at issue is the requirement that pre-2011 tractors must use SmartWay verified tires beginning January 1, 2012. CARB staff is proposing to extend this start date by one year to allow time for: (1) non SmartWay tires to wear out and be replaced and (2) the development of SmartWay verified retreads. CTA believes an additional two years, rather than one, is needed to ensure that fleets will not have to prematurely change out and dispose of their non-SmartWay tractor tires and retreads.

Fleets tend to use retreads on the drive tires of tractors as well as on trailers. The use of retreads is not only cost effective but also provides environmental benefits. A testing program to develop the parameters for a SmartWay verified retread is currently underway; however, when this process will be completed and when the EPA's SmartWay Program will issue a retread specification based on this testing program is unknown.

Consequently, fleets will not have an opportunity to purchase and install fuel-efficient retreads until sometime next year, at the earliest. Open-shoulder tires are used by fleets for added traction. These tires tend to be used in regional haul situations where roads may be more challenging or where adverse conditions are more common.

Tractors with single-axle drives also tend to use open-shoulder tires to ensure adequate traction. An exemption for the use of open-shoulder tires on 2011 and subsequent model year tractors is currently proposed until January 1, 2013. CTA again believes an additional year is warranted to allow manufacturers time to verify additional open-shoulder tires through the SmartWay program.

CARB staff has indicated that under the proposed deadline, fleets will still have the leeway to move non-compliant tires or retreads from tractors to trailers. Moving a tire or retread that is well into its useful life is not cost effective nor does it provide environmental benefits. In many instances, the remaining life would not justify the cost of a short-term move, thus forcing fleets to either prematurely retread these tires or, if the casing is worn, add them to the scrap tire population.

CTA recommends that staff extend the SmartWay tire requirements to 2014 for pre-2011 tractors and for those tractors needing open-shoulder tires.

4. ARB's Cost-Effectiveness Analysis Is Not Credible

ARB staff's cost-effectiveness calculations have not reflected the reality of the costs that regulated entities are likely to face. Staff has offered an oversimplified analysis that distorts the economics of its proposal. The staff analysis posits that the average regulatee is a tractor and trailer that will travel 100,000 miles per year, achieve 8% to 11% in fuel savings and recover costs in less than two years. This analysis, however, ignores important facts.

- The ratio of trailers to tractors is, according to ARB, at least 2.5 to 1. Thus, a tractor that travels 100,000 miles will average only 40,000 miles per trailer per year. However, ARB data developed for the private fleet rule shows that the average California registered Class 8 tractor travels less than 40,000 miles per year. This means that the typical California registered trailer will travel no more than 16,000 miles per year.
- The rule will put California registered trucking companies at a competitive disadvantage vis-à-vis out-of-state trucking companies because it will take the lower mileage California companies significantly longer to recover their costs. The cost-effectiveness analysis must include an estimate of the number of California registered companies that will be forced out of business by the rule as well as the impact of that loss to the state.
- Companies that own trailers but no or few tractors will have no way of recovering their costs since any savings will only accrue to the tractor owner. Moreover, the actual presence and amount of savings will depend upon factors, such as speed at which a trailer is hauled, that are beyond a trailer owner's ability to use to base charges for the use of their equipment.
- The certified savings associated with SmartWay aerodynamic technologies assume a speed of 62.5 mph. However, Caltrans data for I-5, the main North-South truck route, show that the average speed for four and five axle truck and trailer combinations is less than 60 mph and the median speed is about 55 mph. Moreover, many tractors are governed to go no more than 55 mph, the posted speed limit for trucks. There is nothing in ARB's calculations that takes these facts into consideration. Instead, ARB staff dismisses trucking companies' claims that they observe the posted limits.
- There is no test evidence from SmartWay that the individual aerodynamic benefits of SmartWay technologies can be simply added together. Thus, there is no scientific basis for ARB staff's projected savings percentages.
- There is no analysis of the costs and loss of efficiencies that will be borne by companies who would have to create and dispatch a separate fleet of compliant trailers for their California business.
- SmartWay does not test for or certify safety. ARB staff has not signaled any recognition of the potential safety problem from side skirts that can fall off a truck

and pose a significant danger to highway traffic and life and limb. Or tires that may cause additional safety hazards due to softer compounds used for Low Rolling Resistance technology. The insurance costs associated with having to install equipment that has no safety certification need to be taken into account. ARB must also factor in the public safety consequences of requiring the mounting of equipment whose safety has not been certified.

- Despite a pledge to assess the cumulative impacts of other ARB programs that are or will affect the trucking industry, ARB staff has not included the cost impacts that will be attributable to the low-carbon fuel standard rule or including transportation under the proposed cap-and-trade program. The costs of these other ARB programs and regulations must be included in any cumulative impact analysis.

CTA recommends that ARB staff revise its cost-effectiveness analysis to ensure that it reflects a realistic appraisal of the costs of the program versus any claimed benefits.

To summarize, the California Trucking Association is requesting simple solutions to the outstanding issues contained in the proposed amendments.

1. CTA recommends that fleets receive a one to one credit until 2017 for purchase of 2007 and newer technology prior to December 31, 2011.
2. CTA recommends that ARB set the exemption standard for tractors at 150 mile radius and use the same criteria for a parallel, explicit short-haul trailer exemption standard.
3. CTA recommends that staff extend the SmartWay tire requirements to 2014 for pre-2011 tractors and for those tractors needing open-shoulder tires.
4. CTA recommends that ARB staff revise its cost-effectiveness analysis to ensure that it reflects a realistic appraisal of the costs of the program versus any claimed benefits.

Thank you for the opportunity to comment on these important regulations. Should you have any additional questions please contact Eric Sauer at esauer@caltrux.org or at (916) 373-3562.

Sincerely,

Matt Schrap
Director, Environmental Affairs
California Trucking Association

cc: Eric Sauer, Vice President Policy Development California Trucking Association