APCD
AIR POLLUTION CONTROL DISTRICT
COUNTY OF SAN DIEGO

Air Pollution Control Board

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January 23, 2013

Clerk of the Board
Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: UPDATES TO THE PROPOSITION 1B: GOODS MOVEMENT EMISSION REDUCTION PROGRAM GUIDELINES

To Whom It May Concern:

The San Diego County Air Pollution Control District (District) appreciates the opportunity to comment on the California Air Resources Board's (CARB) proposed revisions to the Proposition 1B: Goods Movement Emission Reduction Program (GMERP) Guidelines. The District has successfully implemented GMERP in San Diego County over the past few years and as a result the region has benefitted from significant reductions in diesel emissions from goods movement activities.

In the spirit of continuing to provide effective incentives to reduce diesel emissions associated with goods movement as well as improving the efficiency in implementing GMERP, the District submits the following comments on the proposed revisions.

1. **Reduce the California operation requirement for new equipment from 90% to 75% across all project categories with no reduction to the amount of funding**

   Reducing the health risk in communities impacted by border crossing activities is identified in these proposed guidelines as a priority for Year 4 and later GMERP funds (Chapter II § B.5.). Continuing to require that funded equipment operate 90% of the time within California limits the ability of these funds to fully achieve the legislative intent of reducing emissions and public health risk associated with the movement of freight commencing at the state's seaports and land ports of entry as stated in California Health & Safety Code § 39625 (c).

   San Diego County's largest concentrations of heavy-duty diesel trucks is located at and near the Otay Mesa port of entry and many of these trucks are involved in cross border goods movement activities. According to the U.S. General Services Administration the Otay Mesa port of entry is one of the ten busiest land ports in the country and is the busiest commercial port on the California/Baja California border, handling the second highest volume of trucks and the highest dollar volume of trade among all U.S. land ports. Many of these high-

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polluting, older, cross border trucks are not eligible for funding because they operate less than 90% of the time within California, even though most are based in California and operate a large majority of time within the state. Moreover, their contribution to public health risk can be equal to or greater than some trucks that spend even more time in California. Most of these trucks do not travel far from either side of the border and consequently the impact of their emissions can be felt in California even when they are not operating on our roads.

To increase the amount of emission reductions that can be achieved in California from border crossing goods movement activities, the District recommends revising the California operation requirement for new equipment from 90% to 75% across all project categories with no reduction to the amount of funding. This 75% California operation proposal is identical to the GMERP requirements for existing equipment as well as the operational requirements in the Carl Moyer Program. By providing funding for projects that operate at least 75% of the time in California, the Program will be able to reduce emissions from high use engines that might pollute more than some lower use engines operating 100% of the time in the state. Projects will continue to be ranked against one another, and only the most cost-effective projects will be funded. The State of California would also continue to receive the great majority of the health and environmental benefits in line with statutory requirements in California Health & Safety Code § 39626 (a)(1)(E).

2. Verification of the vehicle miles traveled in California for the past 2 years

These proposed guidelines require local agencies to verify vehicle miles traveled in California for the past 2 years by reviewing documents submitted by the applicant containing odometer readings that are at least 6 months apart (Chapter IV § A.5.a)). The District recommends that this section of the guidelines be clarified to align with the summary of revised streamlined concepts CARB staff discussed with the local agencies on December 4, 2012 which specified that only two points in time over the past 2 years, provided they are at least six months apart, would satisfy this requirement and that one of these data points can be taken during the pre-inspection.

3. Obligation and expenditure deadlines

Chapter IV § B. (page 101) states that CARB staff may extend or shorten the obligation and expenditure deadlines from those described in the guidelines to allow for factors which may affect the project's implementation schedule (i.e., upcoming regulatory deadlines or a delay in receiving Program funds).

The District supports the proposal to allow CARB staff to extend these deadlines but recommends that language regarding shortening the deadlines be removed. The upcoming regulatory deadlines that may affect project implementation have already been addressed in this proposal and shortening the obligation or expenditure deadlines will adversely impact the local agencies ability to successfully implement the program.

4. Eligibility of salvage vehicles

The District recommends that salvage vehicles be considered eligible for replacement funding as long as they are operational and meet all programmatic requirements. The emissions from these vehicles are no different from non-salvage vehicles and therefore they should be considered eligible if they can provide cost-effective emission reductions.

5. Project life for Class 6 trucks

Appendix A requires all repower and replacement projects to commit to a project life of 5 years or 500,000 miles, whichever comes first. Class 6 trucks are typically used for shorter routes and as such do not accrue mileage quickly. Therefore the District recommends that the project life for Class 6 trucks be reduced to 5 years or 250,000 miles, whichever comes first.

6. Intended service class for on-road replacement engines

Page A-2 of Appendix A outlines the requirements for the intended service class for replacement engines by truck weight class. The District recommends that these requirements for intended service class be included in the funding options for replacement projects outlined on page A-4 of Appendix A for added clarification.

7. Truck project cost assumptions

The project cost assumptions in Appendix A seem somewhat flawed. The assumption of $30,000 for a Class 6 truck meeting 2010 emissions is too low as only 2013 and newer Class 6 trucks are eligible for funding. Additionally, the assumption of $300,000 for a Class 8 electric truck does not support CARB's stated desire to encourage the purchase of the cleanest equipment if the maximum combined funding amount is only 35% ($105,000) of the cost for these zero-emission trucks.

8. Truck project scrap requirements

The District recommends the following changes regarding truck project scrap requirements:

a) **VIN tag and license plate photos.** Appendix A (page A-14) specifies that photos of the vehicle identification number (VIN) printed by the manufacturer inside the cab and photos of the license plate must be taken for all scrapped trucks. The VIN inside of the cab is often unreadable and the license plates are frequently removed from the trucks once delivered to the dismantler. The District recommends allowing the VIN photo to be taken either from inside the cab or from the vehicle's frame rail and that the requirement to photograph the license plate be removed.

b) **Dismantler forms.** Appendix A (page A-14) requires the equipment owner or dismantler to provide the appropriate DMV paperwork (REG 488C or REG 42) to the local agency at the time of the post-inspection. It can take several weeks for the DMV to process these forms making it difficult for the equipment owner or dismantler to provide them at the post-inspection. The District recommends that this

section be revised to allow for submittal of these forms within 10 days of receipt of approval from the DMV.

9. Truck project post-inspection requirements

Appendix A (page A-15) requires the equipment owner to provide the replacement truck license plate number upon receipt from the DMV. The District recommends removal of this requirement as the license plate number can be obtained from the registration documents that the equipment owner is already required to provide as part of their annual reports to the local agency.

10. Program administration

The District appreciates the streamlining measures proposed as part of these revisions to the guidelines. The District recommends that the following streamlining measures previously discussed with CARB staff be included in the guidelines:

a) **Eliminate the requirement to provide the make of the proposed new truck with the application**. This information has no bearing on the evaluation of project emission reductions and often changes from the time of application to the time of purchase resulting in additional administrative burden on local agencies.

b) **Replacement project streamlining measures should also apply to repower projects.** The streamlining measures pertaining to vehicle miles traveled, registration history, etc. included in these revised guidelines for replacement projects should also apply to repower projects.

11. Cost-effectiveness cap for the installation of grid-based shore power

Appendix C (page C-1) limits the amount of funding available for grid-based shore power projects at unregulated cargo ship terminals based on cost-effectiveness. The District recommends removal of the cost-effectiveness cap since any funded projects will provide reductions that are entirely surplus to CARB's Ships at Berth Rule.

12. GPS devices for commercial harbor craft projects

Appendix D (page D-1) requires commercial harbor craft projects that select the option for 90% California operation to install an active GPS device. The District recommends removal of this requirement as it will result in additional costs to the equipment owner and could serve as a deterrent to project applicants.

13. Commercial harbor craft hybridization projects

Appendix D (page D-1) states that the maximum funding amount for harbor craft hybrid power systems is the lower of 80% of the eligible cost or $100/horsepower of the existing engine(s). The District recommends that this section of the guidelines be revised to align with the summary of proposed concepts CARB staff discussed with the local agencies on

September 25, 2012 which specified maximum funding of 80% of the eligible cost or $360/horsepower of the existing engine(s).

14. Commercial harbor craft project scrap requirements

Appendix D (page D-7) requires the local agency to ensure the impound and transport of the old engine to a licensed dismantler no later than 30 days after the new engine is placed into operation. It has been our experience through implementation of several marine repower projects under the Carl Moyer Program that licensed dismantlers do not typically take in marine engines. These engines are usually delivered to a local metal scrapyard after being removed and destroyed by the equipment owner. The District receives confirmation via receipt with engine serial number that the engines have been delivered to a scrapyard. The District recommends that this section be revised to reflect this common practice.

15. Commercial harbor craft project post-inspection requirements

Appendix D (page D-8) requires local agencies to collect the start and end dates of dry dock times during harbor craft post-inspections. The District recommends that this requirement be removed as it has no bearing on the project's eligibility.

16. Project specifications for prior year funds

There appears to be some information missing from Appendix F beginning on page F-1. The District recommends clarification of this section.

Thank you for the opportunity to comment on the proposed changes to the GMERP guidelines. If you have any questions or need additional information, please contact Mike Watt, Program Coordinator at (858) 586-2711 or Michael.Watt@sdcounty.ca.gov.

Sincerely,

ROBERT J. KARD, Air Pollution Control Officer
San Diego County Air Pollution Control District

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