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Jack P. Broadbent
EXECUTIVE OFFICER/APCO

June 14, 2010

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

Re: Application for Program Years 2 and 3 Goods Movement Bond Funding

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 allocations (staff proposal) of Goods Movement Bond (I-Bond) funding for Program Years 2 and 3, announced on May 26, 2010.

As you may be aware, the Air District requested $88 million in I-Bond funding ($45 million for on-road truck, $39.1 million for shore-power and $3.9 million for locomotives projects) to meet the challenge of rapidly reducing goods movement pollution in the Bay Area transportation corridor. This request was made following consultation with the public and deliberation with the Port of Oakland (Port). It represents what the Air District believes to be a balanced and equitable approach to addressing the highest emitting sources of toxic diesel particulate matter (DPM) within the transportation corridor.

However, the ARB staff proposal indicates that only $59.5 million is available to the Bay Area trade corridor as part of I-Bond Program Years 2 and 3. While the Air District acknowledges that these are tough financial times for the State of California and that bond funding is difficult to secure, we believe that our full funding request should be honored by the ARB. The reason for this belief is twofold: 1) Bay Area residents are subject to 20% of the total toxic DPM emissions from goods movements in the State and 2) the Bay Area is home to 20% of the State's population. That population is primarily located in densely populated urban areas along the trade corridor and is highly impacted by the health effects from goods movement emissions.

In examining the Air District's requests for funding, you will note that it very closely approximates a 20% share of the entire funding available for I-Bond Program Years 2 and 3. The Air District believes that our application is a measured response to the goods movement emissions problem and thus merits serious consideration by the ARB.

While the Air District acknowledges that shore-power projects at Bay Area ports are a priority for the region and the West Oakland community in terms of emissions reductions; it must be noted that our Community Air Risk Evaluation

Program (CARE) has identified on-road trucks as being the source of over 80% of the toxic DPM emitted in the Bay Area and the leading source of cancer health risk in the trade corridor. This fact was borne out by the health risk assessment performed in West Oakland by both of our agencies which identified 70% of the cancer health risk in that community as emanating from on-road trucks.

Should the ARB not reconsider our funding request, the Air District would concur with your staff's proposal to proportionally reduce the amount of funding available to each eligible project category in our applications (i.e., $33.3 million for on-road trucks, $23.9 million for shore-side power and $2.3 million for locomotives). This preserves the balance of the original request and directs funding appropriately to address the relative health risks posed by emissions from each goods movement category. The Air District also agrees with your staff's proposal to front load funding ($20 million) for shore-power projects in the trade corridor. This is due to the fact that shore-power projects are complex and require long lead times in order to ensure successful completion. In addition, the Air District proposes (following approval by its Board of Directors) to offer up to an additional $5 million to Bay Area ports from its local Assembly Bill (AB) 923 funds for shore-power projects given the shortfall in I-Bond funding.

However, it is critical that none of these actions be accomplished at the expense of cleaning up on-road trucks. Over the past few months we have provided the Board of the ARB and your staff with numerous suggestions on how best to leverage both I-Bond and other sources of funding (Carl Moyer and AB 923 funding) in order to address the health effects from on-road trucks. The Air District now considers those suggestions (loan guarantee and credit programs, voucher programs and increased flexibility in available grant funding) as being imperative to addressing the needs of the trucking community and the Bay Area residents impacted by their pollution.

I encourage you and your staff to re-examine our application in light of these comments and would request that we be provided the full $88 million of funding requested. I would additionally encourage you to review and act on the suggestions we have made regarding grants and incentives for on-road trucks. It is a shared goal to address the health concerns posed by goods movement in the Bay Area transportation corridor and that objective must leverage all available incentive funding. 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

CC: Senator Ellen Corbett, 39155 Liberty Street, #F610, Fremont, CA 94537

Senator Loni Hancock, 1515 Clay Street, Suite 2202, Oakland, CA 94612

Senator Mark DeSaulnier, State Capitol, Room 2054, Sacramento, CA 95814

Assemblyman Jerry Hill, 1528 South El Camino Real, San Mateo, CA 94402-3067

Assemblyman Nancy Skinner, 1429 Bancroft Way, Berkeley, CA 94702

Mayor Ron Dellums, One City Hall Plaza, 3rd Floor, Oakland, CA 94612

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