10-6-3
Fred Minassian

South Coast Air Quality Management District

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June 15, 2010

Mary D. Nichols, Chairman
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Chairman Nichols:

Re: Comments Regarding Allocation of Proposition 1B Grants for FY2008-09 and FY2009-10 to Reduce Emissions from Goods Movement

On May 7, 2010, the South Coast AQMD submitted proposals requesting a total of $500 million in project funds under the FY2008-09 and FY2009-2010 Proposition 1B-Goods Movement Program. South Coast AQMD is in support of CARB staff's recommended project categories and the allocation of 55 percent of the available bond funds to the Los Angeles/Inland Empire Trade Corridor with the following comments:

1. For the "Phase 2" segment of the program, CARB's tentative recommendation includes a $50 million set-aside for a Truck Loan Program. Although the Program guidelines allow implementation of such a program, the continued availability of unused AB118 funds for a similar program makes this allocation questionable. We believe distribution of the $50 million in accordance with your Board's adopted allocations for each corridor to implement specific projects would be more effective and would better serve the goals of the program. However, should you maintain the $50 million allocation for a Truck Loan Program, we would trust that at least 55 percent of the loans would be reserved for trucks based within the Los Angeles/Inland Empire Corridor - - as adopted by your Board on March 25, 2010.

2. In the "Phase 1" funding distribution, a sum of $8.5 million is recommended to be redirected from the San Diego/Border to the Central Valley trade corridor. Although it is proposed to redirect this sum back to the San Diego/Border trade corridor in "Phase 2," we object to the entire sum being redirected to the Central Valley corridor in "Phase 1." CARB's own recently published report indicates an increase in average

truck mileages in all trade corridors but the San Joaquin Valley. As our South Coast application clearly indicates, there is overwhelming demand for the fund in our corridor. Furthermore, page 21 of CARB's Proposition 1B-Goods Movement Program guidelines states "Regions like San Joaquin Valley with high through-truck and rail traffic will benefit from projects administered by local agencies in other trade corridors." Hence we request a distribution of the $8.5 million redirected funds in accordance with the same distribution percentages among the remaining trade corridors as adopted by your Board on March 25, 2010.

3. The grant agreements between CARB and the receiving agencies should allow that in the event funds allocated for a specific project category cannot be fully used in the first year, then those funds may be used for other project categories granted by CARB within the same trade corridor. For example, if funds for the shore power projects are not committed within the first twelve months in our corridor, we should have the flexibility to use the funds for truck replacement projects.

The South Coast AQMD has been very successful in implementing the first year's Proposition 1B-Goods Movement Program funds, and we look forward to working closely with CARB for the continued success of the program.

Sincerely,

WmABurke

William A. Burke, Ed.D.
Chairman, Governing Board

cc: Ronald Loveridge