

Sean Edgar  
9/27/07 07-1-7

## **Clean Fleets Coalition**

*A Policy Advocacy Group Focusing on Heavy-Duty Motor Vehicles*

Sacramento, California • Washington, D.C.

September 27, 2007

Agenda Item 07-9-4 : Testimony of Sean R. Edgar Regarding the Proposed 2007 Air Quality Management Plan for Attaining the Federal 8-hour Ozone and PM2.5 Standards in the South Coast Air Basin and the Coachella Valley

Good Morning Madam Chair and Board Members. Thank you for the opportunity to address you regarding this topic. Many of our members are regulated under the ARB's Trash Truck Rule and our seven year history with the Board and AQMD gives us a unique perspective on the on-road component of the present action, three areas of which I will briefly touch on now.

First, the "parallel path" of the SIP planning and fleet rules development appears to be diverging rather than converging. Second, a South Coast overlay and an accelerated timeline in the Drayage Truck and Private Fleet rules will likely make the Moyer Program less relevant and early reductions less probable. Finally, the Prop 1B bond allocation really needs to be targeted and "super-sized" as the present \$250 million allocation is not nearly enough to subsidize the accelerated schedule for on-road segments that your staff itself has indicated need a subsidy to become reality. We echo the concerns of the CTA on this point, and reference their letter dated yesterday as it relates to staff's previous analysis.

Regarding the first point on diverging paths, I mean that your staff has spent more than a year workshoping the Private Fleet Rule reportedly to obtain input from heavy duty vehicle owners relating to equipment age, population, normal turnover, profitability, etc. Staff has indicated its desire to "preserve Moyer" and also to assess the technology and economic considerations of the proposed 2009-2020 schedule. The proposed schedule is rapidly compressing such that, if I understand the new South Coast/Coachella overlay, what was a 10-year fleet turnover plan will be reduced to seven with an option to go to four in 2014? I am all for early action, and I am proud that 18 of the 21 fleets certified in early compliance with your Trash Truck Rule belong to our state association. We are "can-do" people, but there appear to be lots of sticks, but not enough carrots in the current plan to get the port trucking or private fleets to cleaner air given the compressed timeframe and my second point regarding fleets being sealed off from Moyer funds should the plan before you be approved. That is what appears to be on the horizon as the lack of SIP-creditable reductions, the call for huge NOx reductions apparently through retrofits not yet available, and an economic downturn and freight volume that FleetOwner magazine just yesterday

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described one that, "continues to be sluggish going into the fourth quarter of 2007 -- and demand is not expected to improve anytime soon." Furthermore, "Small TL [truckload] carriers (with less than \$30 million in annual revenue) saw their average turnover rate decrease to 90%, marking the lowest annualized rate in two years"<sup>1</sup> So the fleet owners' ability, especially the small ones, to come up with his or her "fair share" (however much that is under the polluter pays principle) is worsening.

Finally, the Prop 1B bond allocation really needs to be targeted and "super-sized" if these new commitments are in fact to deliver reductions. The mid-2008 \$250 million allocation is a great start, but is inadequate to satisfy the financial needs forced by the "ban without a financing plan" accelerated schedule.

Thank you for allowing us to comment on this matter.

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<sup>1</sup> [http://fleetowner.com/news/topstory/freight\\_volume\\_trucking/](http://fleetowner.com/news/topstory/freight_volume_trucking/) September 26, 2007