

# California Legislature

September 9, 2009

California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Dear Board Members:

Last December, the California Air Resources Board (CARB) adopted the on-road diesel truck and bus regulation that will greatly impact the California trucking industry. As members of the California State Legislature, we are requesting that you temporarily suspend the On-Road Diesel Vehicle Regulations that you approved on December 12, 2008, and the Off-Road Diesel Vehicle Regulations that went into effect on June 15, 2008. There are strong economic justifications for requesting this suspension.

We are supportive of reducing particulate matter (PM) and NOx emissions from diesel engines. There is no disagreement that we need to work collectively to improve the state's air quality and all of us want to provide as healthy an environment as possible for our families and all Californians. However, in its current form, the Board's regulation places a significant economic risk on business today, and jeopardizes the future viability of the trucking industry, which is already reeling from unprecedented financial turmoil and a drastic decline in business, which has brought about a naturally correlating decline in emissions.

The CARB on-road and off-road diesel regulations are projected to cost up to \$10 billion to implement. Unfortunately, these regulations have been approved at a time that the California economy is in a recession, unemployment is nearing 12%, and trucking related businesses are struggling to stay viable.

In adopting its December 12, 2008 regulations, CARB effectively ignored the economic arguments and pleas presented in about 500 written and/or verbal public comments. One California contractor gave particularly telling comments: "The affect on my company is 100 percent of my portable equipment will be illegal to use or sell in the state of California: 100 percent of my trucks, 90 percent of my Off-highway vehicles. Three regulations all at once. This is a destruction of my capital. I have spent 44 years in this business gaining this equity, and these

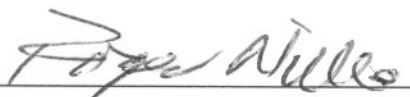



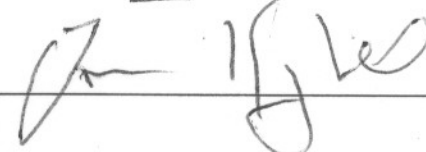
regulations have destroyed it all at once. Destroyed a business model of the entrepreneur who saves money and invests it and provides employment and a tax base for the economy."

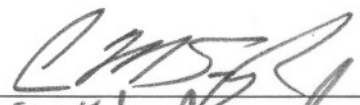

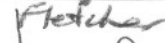
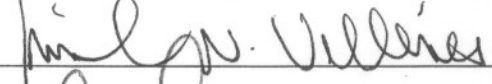
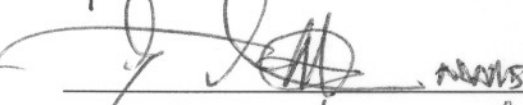
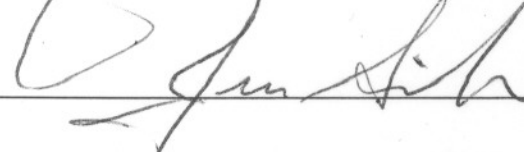
Further, while Proposition 1B contained authority for \$750 million in bond funds to provide grants, matching funds, and low cost loans to assist truckers with the retrofit of their fleets, only \$250 million has actually been made available. As you are aware, this is because of the state's deteriorating fiscal position, which has and is, preventing the state from proceeding to sell the remainder of these bonds. While this level of resources represents less than 10% of the projected cost to comply with the diesel regulations promulgated by CARB, the availability of these funds could go a long way toward providing the financial assistance promised to the trucking industry, and which we presume CARB thought would be available for retrofits when it promulgated its regulations.

And for the very few California trucking companies that have found the capital necessary to begin the process of retrofitting or replacing their fleets, they now find themselves unable to access the Prop 1B Bond money they originally planned on receiving, forcing them to cancel orders for equipment or default on loans.

It is our understanding that CARB is to report on the economic impact of these regulations at the December hearing. Given the multi-billion dollar cost associated with the implementation of this regulation – and the current volatile economic environment - I would urge you to delay this regulation and also allow for a stay of enforcement at least until the economy recovers, to re-examine the implementation time line in order to allow businesses the time needed to recover.

Sincerely,

John Miller (71)

Connie Conmy

~~Thomson (Amick)~~

Wm

Jan Fuller

Jim Nieker

Henry

Catherine Galgiani

Wm (Shelby)

Van Tran

Quinn M. Cleballen

88 A.D.

Theresa Walters

John Benoit

Charles

Boris Butcher

Wm

Samuel

Edwin

Don Logan

Dr. Nesbitt

Chuck Wren

66 A.D.

Martin Harick

Alfred Huber

Andrew Strickland

Wm

Wm

Tom Oliver

Gene Gill

Bob

Sam Harmon

Mad Myland  
Eunice M. Huntel

Gloria Regente M. Lark

James C.

Luis Parra

Chas. J. M.

John D.

Geoff Runner  
R. O. Crowder  
Lee M. ————

## Signatures

Assemblyman Roger Niello  
Assemblyman Nathan Fletcher  
Assemblyman Bill Emmerson  
Assemblyman Cameron Smythe  
Assemblyman Jim Silva  
Assemblyman Mike Villines  
Assemblyman Paul Cook  
Assemblyman Tom Berryhill  
Assemblyman Danny Gilmore  
Assemblyman Anthony Adams  
Assemblyman Jim Miller  
Assemblyman Joel Anderson  
Assemblywoman Connie Conway  
Assemblyman Mike Duvall  
Assemblyman Steve Knight  
Assemblyman Ted Gaines  
Assemblyman Curt Hagman  
Assemblyman Dan Logue  
Assemblywoman Jean Fuller  
Assemblyman Brian Nestande  
Assemblyman Jim Nielsen  
Assemblyman Chuck Devore  
Assemblywoman Diane Harkey  
Assemblyman Kevin Jeffries  
Assemblywoman Cathleen Galgiani  
Assemblyman Martin Garrick  
Assemblyman Bob Berryhill  
Assemblywoman Alyson Huber  
Assemblyman Van Tran  
Assemblywoman Audra Strickland  
Assemblywoman Anna Caballero  
Assemblyman Charles Calderon

Senator Jeff Denham  
Senator Dennis Hollingsworth  
Senator Mimi Walters  
Senator Tony Strickland  
Senator John Benoit  
Senator Dave Cogdill  
Senator Dave Cox  
Senator Bob Huff  
Senator Bob Dutton  
Senator Tom Harman  
Senator Mark Wyland  
Senator George Runner  
Senator Sam Aanestad  
Senator Roy Ashburn  
Senator Gloria Negrete Mcleod  
Senator Abel Maldonado  
Senator Curren Price  
Senator Lou Correa  
Senator Rod Wright  
Senator Ron Calderon