

INDIAN VALLEY CHAMBER OF COMMERCE

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Clerk of the Board
California Air Resources Board
1000 I Street
Sacramento, CA 95814

Members of the Air Resources Board:

Having been a business owner since 1962 I have found that customers, competition, financing or changing technology are never the biggest obstacle to success. The biggest challenge to prosperity remains government and government sponsored bureaucracies.

Business owners are typically too busy creating jobs, meeting payroll, servicing customers and propelling the engine that makes this state and this country work, to have the time to follow the creation of all the rules and regulations being forced on them. Unfortunately, the wakeup may come too late when over 150,000 small businesses will be forced to abandon productive assets or to needlessly upgrade to what is actually poorer performing equipment. I say needlessly because CARB's own presentations admit the On Road Bus and Truck Rule is only a speed up rule. By 2023 pollution will be essentially the same with or without business owners, school districts and local government spending the estimated 5.5 billion required. Assuming the cost figure is accurate, though I don't think in my 70 plus years I've seen a government estimate of cost that has not been grossly understated, why put the real businesses and the real families that will go under and lose their jobs through this?

The cleaner Tier 3 and Tier 4 engines are already in the pipeline yet the proposed plan is to create bigger government and an entire new system of record keeping similar to adding a third tax return. Now we will have Federal, State and ARB. Our state already carries the highest regulatory burden in the nation, so removing even more potentially taxable profits for such a short term goal is hard to fathom. California absolutely does not need more government employees to keep track of AG and SW numbers. We have been doing just fine.

Plumas County is a NOx Exempt area, so we will avoid some of the timelines, none-the-less we will feel the pain as virtually everything including fuel and food must be trucked in. We will face fewer choices because some firms will now refuse to come to California. We will face higher costs for everything.

Our logging firms, already challenged in so many areas, will at the very least, be required to install GPS devices so they can prove they don't leave a non-attainment area. Not only is this a very "Big Brother" situation, but they have to pay to be watched. The special "long haul" job out of the area, the one that just might make the financial difference for them that year, will no longer be an option. Along that theme ARB inspectors can show up at any time and demand full access to your property and records. Even the IRS makes an appointment when they want to do an audit. This approach sounds more like intimidation and fine generation than compliance help.

Of the over one million vehicles that will be affected, and keep in mind that also means over one million drivers and their respective families, none will be affected positively. Some will be retired or sold out of state. Some will be retrofitted or repowered with devices or engines that will cost more, require more maintenance, use more fuel, provide less power and often times are less safe. All of this means fewer jobs, fewer wages, less profits, higher costs to consumers, and ultimately fewer taxes paid. All of this to meet pollution targets a few years early; a target we may meet early anyway because of recession and high fuel prices.

California needs infrastructure, levies rebuilt, water systems and all the other things voters passed bonds to pay for. Raising the cost of everything that moves on wheels means we get less for our bond dollars, are less competitive and even less prosperous. I urge you to follow the Governor of New Jersey when he halted all work on new diesel regulations because his state simply could not afford another burden.

Lastly, I will point out the fallacy of those that claim the forced abandonment of capital, forced retrofits or forced upgrades are actually better for the economy. Economics teachers will refer to this as the "broken widow fallacy". In short, a thug tosses a brick through a store window. By replacing the window the store owner is benefiting the window installer, window maker, trucker, tinter, and so on down the line. Fixing the window is thought to be a benefit many times over, yet the store owner himself can no longer purchase something else because he was forced to repair the window. This other purchase would have benefited just as many, but this is no longer an option. The economy as a whole is always worse off because of the lost window.

Not only is this rule like the thug set to destroy billions of dollars of productive capital and create an even bigger bureaucracy with penalties built in to fund it, there is no mention of dismantling it. As a speed up rule that will be obsolete in 15 years, where is the sunset? Where is the early termination or easing of the rule if pollution goals are reached early?

A much better option would be to abandon the rule completely and offer ½ off the sales tax for Tier 3 vehicles and zero sales tax on Tier 4 vehicles. Follow this by ½ off all registration/weight fees on Tier 3 and zero registration/weight fees on Tier 4, hybrid and alternative fuel vehicles. Include a 100% California expense write off in the first year. This creates no new bureaucracy, reduces the size of government, is easy to understand, does not destroy existing capitol, allows business owners to time their own upgrades, boosts the economy and maintains jobs. What is lost in sales tax would be more than made up in reduced government spending, as well as additional corporate and personal income tax.

I urge the board to abandon "the stick" and create a compelling "carrot" instead.

Sincerely,

A handwritten signature in black ink, reading "Robert Carter". The signature is fluid and cursive, with the first name "Robert" and last name "Carter" clearly distinguishable.

Robert Carter
Vice President
Indian Valley Chamber of Commerce
Plumas County, CA