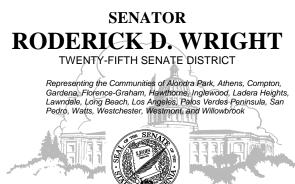
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California State Senate



GOVERNMENTAL ORGANIZATION CHAIR

BUDGET & FISCAL REVIEW

BUDGET SUBCOMMITTEE #4 on State Administration, General Government and Corrections

ENERGY, UTILITIES AND COMMUNICATIONS

PUBLIC SAFETY

SELECT COMMITTEES: CALIFORRIA'S WINE INDUSTRY CALIFORNIA'S HORSE RACING INDUSTRY - CHAIR EARTHQUAKE AND DISATER PREPAREDNESS

JOINT COMMITTEE ON RULES

March 12, 2009

The Honorable Arnold Schwarzenegger Governor, State of California State Capitol Sacramento, CA 95814

Dear Governor Schwarzenegger:

The California Legislative Black Caucus represents and advocates for the interests of Black people throughout California. Among our many valued and principled objectives is our commitment to reducing inequities and creating employment opportunities and economic security for African Americans. It is for that reason that we are writing to you to share our serious concerns about a pending regulation by the California Air Resources Board (CARB) that we believe could have major impacts on inner-city and minority communities.

The issue involves the looming enforcement by the CARB of the Enhanced Vapor Recovery Systems (EVR). It is our understanding that several years ago CARB adopted regulations requiring gas stations to install EVR upgrades by April 1, 2009 to help reduce air pollution levels – a goal we strongly support. However, our concern lies with that fact that due to major bureaucratic delays by CARB in approving products for use by station owners, coupled with extremely high fees and onerous regulations by local jurisdictions. Only 1 in 5 stations have to date been able to install these systems. With just 30 days until the enforcement deadline, more than 78% of California's 11,000 gas stations will not be able to meet the standard and will be forced to shut down.

The result of this action will be that minority and inner city areas will be especially hit hard. Specifically:

- *Closure of Service Stations Serving Inner City:* Stations that cannot meet the deadline will be forced to shut down creating a major a void in inner-city communities and resulting in dramatic prices increases at a time when our hardworking families can least afford new costs.
- Loss of Revenue for the State and increased unemployment: Service station closures will further hurt our struggling economy and aggravate an already dismal budget situation by putting more individuals out of work and reducing critically needed tax revenue. This would result in less money for the State General Fund and ultimately lead to further decreases in badly needed community, health and educational programs.
- *Increased blighted areas and increased pollution:* Station closures will become community eyesores, set back our efforts to revitalize our inner city communities. Most ironically, it will also result in increased pollution as individuals drive further to find an open gas station undermining the original intent of the regulation.
- *Hardship on Minority Owned Small Businesses:* Major oil companies have divested most of their service stations to minority, disabled veterans, women and others individuals over the last several years. Without

an extension of the compliance deadline, these small business owners will be financially ruined and their dreams of a better life for their families vanquished.

It is for all these reasons why we are respectfully requesting that you intervene on this critical issue.

Specifically we request that you direct CARB to allow for a two year extension of the EVR installation mandate. This request is consistent with Senate Bill 155 (Cox), which you signed. SB 155 granted rural gas stations a two year extension, postponing enforcement of EVR until April 1, 2011. Your support would allow urban gas stations the same consideration given to rural gas stations. Urban station owners should also have until April 1, 2011 to make these necessary upgrades. Without an extension thousands of stations going out of business resulting in major impacts to communities that can least afford to deal with all of the negative consequences.

Sincerely,

CC: Members of the Senate and Assembly Black Caucus Ms. Susan Kennedy, Chief of Staff to Governor Arnold Schwarzenegger Ms. Mary Nichols, Chairwoman of the California Air Resources Board Honorable Gil Cedillo, Chair of the Latino Caucus Honorable Tony Mendoza, Vice-Chair of the Latino Caucus